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ABSTRACT

This report contains the findings of the first year of a 2-year Hudson Institute study of U.S. charter schools, which focused on their startup problems, solutions to the problems, and the policy environments in which such schools are most likely to thrive or falter. Data during 1995-96 were derived from site visits to 35 charter schools, which comprise a cross-section of the approximately 225 charter schools operating at that time. Approximately 600 interviews were conducted with local business and educational leaders and with 107 state-level policymakers, educators, and interest-group leaders. Some highlights of the findings include the following: Of the nearly 8,400 students in the sample, 63 percent were minority-group members. Eighty-one percent had been enrolled in public schools immediately before coming to the charter schools. Charter schools include schools for at-risk youngsters and special populations, distance learning, teacher cooperatives, and contract-managed schools. Major startup problems included the large numbers of disadvantaged and at-risk students, lack of capital and startup funds, burdensome paperwork, regulatory restrictions, and governance difficulties. Charter schools are most likely to arise in states with stronger charter-school laws, which feature sponsorship options for other than school boards, openness to diverse charter applicants, automatic exemption from laws and regulations, and true fiscal and legal autonomy for charter schools. The report also reviews policy issues that face charter schools, including special education, teacher unions, finance, accountability and evaluation, prevention of school failure, and federal policy. The report concludes that: (1) The demand for charter schools currently exceeds the supply; (2) there is growing evidence that supports charter schools' educational effectiveness; (3) charter schools' attractive features include their smaller size, focused missions, freedom from excessive regulation and control, and choices offered to students and teachers; and (4) charter schools foster innovation and promote accountability. Policy recommendations are included. Appendices contain characteristics of state charter-school laws, state case studies, a list of participating schools, and a list of interview participants. (Contains 5 tables and 13 references.) (LMI)

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Charter Schools in Action

What Have We Learned?

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What Have We Learned?

Chester E. Finn Jr.
Bruno V. Manno
Louann Bierlein

Hudson Institute
Educational Excellence Network

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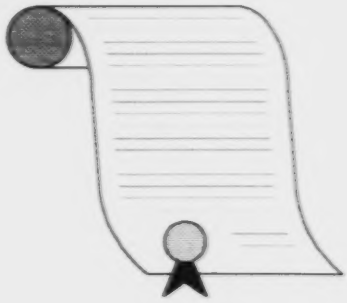
Executive Summary

This report contains the findings of the first year of a two-year Hudson Institute study of U.S. charter schools, focusing on their start-up problems, solutions to those problems, and the policy environments in which such schools are most apt to thrive or falter. Field work in 1995-96 consisted of site visits to 43 charter schools in seven states and the gathering of substantial data on 35 of those schools, which comprise a cross-section of the approximately 225 charter schools operating during this year. The three-person research team conducted approximately 600 school-linked interviews and some 107 more with state-level people. The result is the most extensive information presently available about the nationwide charter school movement.

This summary briefly recaps key findings and recommendations but does not substitute for the full report. It tracks the five major sections of the report, which also includes several appendices, including profiles of schools and states included in the 1995-96 sample.

1: Introduction and Overview



- Students attending charter schools are diverse; 63 percent of the nearly 8,400 students in our sample are minority group members. The numbers of boys and girls are almost equal.
- Eighty-one percent had been enrolled in public schools immediately before coming to the charter schools, 8 percent came from private schools, 2 percent were home-schooled, and 4 percent had dropped out of school.
- The charter movement in the United States has spread rapidly. Twenty-five states and the District of Columbia now have charter laws. The country may have as many as 350 functioning charter schools in 1996-97.
- Some, however, barely qualify for the designation. We have seen examples of "charter" schools that remain subordinate to district administrations and school boards in many important matters.

2: Charter School Accomplishments

- Charter school founders are a varied band of parents, laymen, professionals, and organizations. The schools are educationally diverse and remarkably imaginative in their approaches. They include schools for at-risk youngsters and special populations, "distance learning" (or "virtual" schools), teacher cooperatives, and contract-managed schools, as well as many other educational and organizational innovations.
- Students, many of whom had been unsuccessful and unhappy

in other schools, seem generally satisfied with the education they are receiving, citing especially the charter schools' clear academic expectations, safety, individualized instruction, committed teachers, and family-like atmosphere.

- Charter schools are attracting terrific, often unconventional teachers, who fulfill many other functions within the schools. Teachers expressed particular satisfaction with their freedom to teach, the school's autonomy, its familial atmosphere, sensible management decisions, dedicated colleagues, and enhanced institutional and personal accountability.
- Parent and student satisfaction is manifest in a number of ways, including the fact that nearly all charter schools have pupil waiting lists. There is evidence of much parent involvement, and parents say that they feel welcome in charter schools and that the schools are responsive to their concerns. (Many charter schools were begun by parents.) Other reasons for parent satisfaction are related to high student expectations and the schools' coherent curriculum, minimal bureaucracy, dedicated teachers, and family-like atmosphere.
- Though local superintendents and school boards are most frequently hostile to charter schools, some find promise in them because of the student needs they meet, especially for at-risk youngsters; the competitive stimulus they provide; the desirability of educational alternatives; and the possibility of innovating under the charter law in ways that cannot be done under regular statutes, regulations, and union contracts.
- Some school districts profit financially from their charter schools.
- Though nearly all charter schools receive less money per pupil than conventional public schools—and some charter teachers are paid less than teachers in conventional schools—some schools have used their fiscal autonomy creatively to get extra mileage from available funds. This has produced some extraordinary improvements in efficiency and productivity.

3: Major Start-Up Problems

Kids with Problems

- More than half of all charter schools encounter unexpectedly difficult challenges from the students who attend them, primarily from the large numbers of disadvantaged and at-risk pupils who enroll. A high proportion of charter students can be termed "square peg" kids who do not fit the round holes of conventional public schools.
- Charter schools, in general, are welcoming such youngsters, adapting to their circumstances, and serving them well.

Fiscal Woes

- For a host of reasons, nearly all charter schools receive less funding than conventional public schools. Yet they are expected

to demonstrate better results. Fiscal issues are often the greatest concern facing charter schools, particularly at the outset.
- The lack of capital funds and start-up funds is a particularly severe problem, as are uneven cash flow, burdensome paperwork, and school finance formulas insensitive to the peculiar circumstances of charter schools.

Regulatory and Political Hurdles

- Most charter laws still make it needlessly difficult to launch viable charter schools.
- Many restrictions arise in response to political pressure from charter opponents. Others come from unanticipated laws and regulations as well as inadvertent failure to eliminate or waive statutory and regulatory provisions.

Governance and Staffing

- Governance problems, although not widespread, cause grave difficulties for charter schools where they arise. Bad board-staff relations appear to be the most common governance difficulty.
- Charter schools have peculiar leadership needs that generally require the talents and background of several kinds of people.
- Staff turnover in charter schools does not seem greater than in similar "start-up" organizations.
- Charter schools are amply supplied with qualified and often unusual candidates for teaching and other staff positions. Yet some charter schools encounter staffing problems, especially in achieving a proper "fit" between personnel needs and individual staff members.
- Slightly more than half of all charter teachers come directly from teaching positions in other public schools. Twelve percent come from outside the normal K-12 teaching universe.
- The vast majority of charter schools hire only, or primarily, certified teachers (even when this is not required by law).
- Approximately 70 percent of charter schools pay "comparable" salaries to most or all of their teachers.

4: Dilemmas for Policymakers

State Charter Policies

- Charter schools are more likely to come into existence, and to succeed, in states with "stronger" charter laws. Ten factors are identified that distinguish such laws. The most important of these are sponsorship options other than local school boards, openness to diverse charter applicants, automatic exemption from laws and regulations, and true fiscal and legal autonomy for charter schools.

Special Education

- Nineteen percent of the students in charter schools in our sample have disabilities or impediments of which the school is aware that affect their education. Thus it appears that, contrary to some forecasts, charter schools are serving proportionately more disabled youngsters than are conventional schools.
- Many disabled youngsters in charter schools are being educated in ways that do not conform to the formal procedures and classifications of U.S. special education, yet such children appear to be well-served, and they and their parents are pleased.

Teacher Unions and Charter Schools

- At the state level, without exception, the unions' primary objective vis-a-vis charter schools is to keep the program as small, weak, and limited as possible.
- Charter school-union relations take many forms. Where union master contract provisions apply to charter teachers, there are generally waivers or informal understandings that things can be done differently.
- In states where charter teachers are allowed to organize their own union local, we found no instance where this opportunity has been seized. We did, however, find some schools where this may happen in the future.

Finance Policies

- District leaders often view all public education funds as "their" money. This leads many to resist such funds going to charter schools, even when the latter educate some of "their" students. Hence most charter schools do not receive their share of public education funds.
- Charter sponsorship and oversight carry real costs, and charter schools are not a cost-free reform for the state as a whole.
- Serious support of charter schools will entail revising many aspects of U.S. public education finance.

Accountability and Evaluation

- State charter laws are stronger on theory than practice when it comes to accountability and evaluation. No state yet has in place a fully satisfactory plan, though several are making good progress.
- Charter accountability criteria generally include reasonable progress in meeting each school's goals for its students; proper use of public funds; and general probity.
- A well-functioning accountability system will have clearly delineated content and performance standards; exams that mirror those standards; timely, understandable, and comparable results, including academic and nonacademic indicators of success; and real stakes for all.
- States face the dilemma that conventional tests and other

standard instruments may not suit the programs or philosophies of charter schools.
- Individual schools accept the need for accountability and many are working on specific standards, measures, and mechanisms that feature real consequences for everyone involved.

School Failure and Its Prevention

- Some charter schools will fail and close or be closed. This is a plus for educational accountability and a model for public education generally.
- Public authorities have an obligation to minimize harm to students. This calls for an adequate monitoring program to provide early warning of troubled schools and a multifaceted intervention strategy.
- Policymakers should not, however, put charter schools on "life-support" systems. Failure should be tolerated, even welcomed.

Federal Policy Issues

- Most charter schools are not now getting their "share" of federal categorical aid.
- Many features of federal education programs are poorly suited to charter schools.
- Many charter schools, for diverse reasons, are not seeking to maximize their participation in federal programs or to request "waivers."
- In a number of cases, charter schools are carrying out the spirit of federal programs without following all the fine print.

5: Conclusions and Recommendations

Conclusions

- Charter schools may be the most vibrant force in American education today.
- No one can say with confidence how large this movement may grow, but the demand for charter schools currently exceeds the supply.
- It is too early to say anything definite about their educational effectiveness, but there is a growing body of positive evidence.
- Particularly attractive features of charter schools include their intimate scale; clear, focused mission; freedom from excessive regulation and control; and the fact that students, teachers, and parents have chosen to be there.
- Charter schools are often havens for people who need and want alternatives to schools that have served them poorly.
- Genuine educational innovation is occurring in charter schools.
- Charter schools establish a much-needed prototype of educational accountability.
- Charter schools serve the public more like the voluntary institutions of "civil society" than like conventional public schools.

Selected Policy Recommendations

- Provide a nonlocal sponsorship option or a strong appeals process for charter seekers.
- Allow any individual, group, or organization to submit a charter school proposal.
- Make charter schools legal entities in their own right.
- Set no (or very high) limits on how many charter schools there can be.
- Allow private schools to "convert" to charter status.
- Keep charter restrictions and regulations to minimum health, safety, and nondiscrimination provisions. Automatically exempt charter schools from other state and local laws and regulations. Beware of "stealth" restrictions built into other statutes and regulations.
- Spare charter schools from union "master" contracts and allow noncertified people to teach in them.
- Allow charter schools to educate disabled (and other at-risk) youngsters as their parents and those within the school think best.
- Provide capital and start-up funding for charter schools.
- Give charter schools the same per pupil operating funds (from both state and local sources) that conventional public schools receive, and deliver these funds directly to the schools, rather than through local districts.
- Conceive of charter school accountability as a triad consisting of standards, assessments, and consequences.
- Balance the state's interest in holding schools uniformly accountable against each charter school's legitimate interest in being judged in a manner consistent with its unique mission.
- Make available ongoing technical assistance to charter schools, and develop a range of approaches to faltering schools.
- Use the charter model to develop ways of holding all public schools accountable for their results.

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Introduction

Hudson Institute launched the "Charter Schools in Action" project in the summer of 1995 with support from The Pew Charitable Trusts. The project's research staff comprises Louann Bierlein, Bruno Manno, and Chester Finn. Its purpose is to analyze the start-up problems encountered by charter schools, identify ways to solve them, and consider the effect of the policy environment on the chances that such solutions will succeed. The project staff believes that such information will prove helpful both to those involved with the launch and operation of charter schools and to policymakers at state and local levels who find themselves grappling with these issues.

In each of two years (1995-96 and 1996-97), the research team will conduct site visits to at least thirty-five schools in seven states. (The schools in our first year's sample are identified in table 1 and are briefly described in Appendix C.) These schools were selected after examining key characteristics of all operating charter schools within the seven states: location; size; grade levels; new versus conversion; who started them; sponsor; length of operation; and curricular focus. We asked key individuals in each state to identify good candidates—specifically stating that we did not want to visit just "superstar" schools and that we wanted to include schools tackling challenging situations and serving at-risk populations. Although we cannot claim that the thirty-five schools we focused on this past year are a perfectly representative sample—and they were not randomly selected—we are confident that they represent a good cross-section of the types of charter schools in existence in America today. Also, we briefly visited eight other charter schools, for a total of forty-three schools in seven states. Our findings are therefore based on insights gained from nearly 20 percent of the approximately 225 charter schools in operation during 1995-96.

A typical site visit lasted a day and a half. We observed classes and talked with parents, teachers, students, administrators, charter board members, and others involved with the school. We spent additional time on pre- and post-visit phone interviews, examination of written materials, and analysis and double-checking of findings.

We also interviewed state and local policymakers; business, civic, and community leaders; local school superintendents; board members; and others with knowledge and opinions about charter schools. Whenever possible, we included charter critics and opponents. All told, our research involved approximately 600 school-linked interviews and some 107 with state-level people. (For a list of the latter, see Appendix D.)

Though the researchers generally followed a common protocol of questions, types of people to meet, and topics of inquiry, American charter schools are so varied and so idiosyncratic in their circumstances and start-up problems that we often found ourselves improvising, pursuing the story of a particular school, family, or community. In addition to talking, looking, and listening, we asked all charter school leaders for key documents (such as the charter application), and we asked them all to complete a one-page questionnaire about student

Table 1

Participating Charter Schools, 1995-96

Charter School	Geographic Location			School Size (currently)			Grade Level Focus			School Type			Started by (Primarily)			Sponsored By			Length of Operation (as charter school)			
(FY 1995/96 Status)	urban	sub-urban	rural	<200	200-600	>600	elem	middle	HS	new	public conversion	private conversion	educators	parents	other	local bd	state	univ/other	1st yr	2nd yr	3rd yr	>3 yrs
ARIZ																						
Boys & Girls Academy		x		x				x		x					x		x		x			
Esperanza Montessori Academy	x				x		x	x	x	x				x			x		x			
Greyhills Academy H.S.			x		x				x		x		x				x		x			
Pine Forest School		x		x			x					x		x			x		x			
Success School	x		x	x				x	x	x			x		x		x		x			
CALIF																						
Choice 2000 On-line	x	x	x	x				x	x	x			x			x				x		
Constellation Charter Middle School	x			x				x		x			x			x			x			
Charter Sch. of San Diego	x					x		x	x		x		x		x	x					x	
Fenton Ave. Charter Sch.	x					x	x				x		x	x		x				x		
Guajome Park Academy		x				x		x	x	x			x			x				x		
HIS Charter School			x			x	x	x	x	x			x			x					x	
Jingletown Charter Middle School	x			x				x		x			x	x		x					x	
San Francisco Int'l. Studies Academy	x				x				x		x		x	x		x				x		
CO																						
Academy of Charter Schools		x			x		x	x	x	x				x		x				x		
Community Involved Charter School		x			x		x	x	x	x			x	x		x				x		
Clayton Charter School	x			x			x					x	x		x	x				x		
Crestone Charter School			x	x			x	x		x				x		x			x			
Renaissance School		x			x		x	x		x				x		x			x			

Table 1 continued on next page

Table 1 cont'd.

Charter School	Geographic Location			School Size (currently)			Grade Level Focus			School Type			Started by (Primarily)			Sponsored By			Length of Operation (as charter school)			
(FY 1995/96 Status)	urban	sub-urban	rural	<200	200-600	>600	elem	middle	HS	new	public conversion	private conversion	educators	parents	other	local bd	state	univ/other	1st yr	2nd yr	3rd yr	>3 yrs
MASS																						
Boston Renaissance Charter School	x					x	x			x			x		x		x		x			
City on a Hill Charter School	x			x					x	x			x				x		x			
Community Day Charter School	x			x			x			x					x		x		x			
Francis W. Parker Charter Essential School		x		x				x		x				x			x		x			
Lowell Middlesex Academy Charter School	x			x					x	x	x				x		x		x			
MICH																						
Aisha Shule/W.E.B. Dubois Prep. Academy	x			x			x	x	x			x	x			x				x		
Concord Academy			x		x		x	x	x	x			x		x			x		x		
Livingston Tech. Academy		x		x					x	x					x			x	x			
Sierra Leone Educaitonal Outreach Academy	x			x			x			x			x					x	x			
West Michigan Academy of Environmental Science		x			x		x	x		x			x					x		x		
MINN																						
City Academy	x			x					x	x			x			x						x
Community of Peace	x			x			x			x			x		x	x			x			
Emily Charter School			x	x			x	x		x				x			x			x		
Metro Deaf	x			x			x			x			x	x		x					x	
MN New Country School			x	x					x	x			x		x	x				x		
WIS																						
Beaver Dam Charter School			x	x				x	x	x			x			x			x			
New Century School		x		x			x			x				x		x			x			
Total School (of the 35 schools; each may cover more than one category)	19	11	9	22	8	5	19	19	18	27	5	3	23	13	11	20	11	4	18	12	4	1

demographics and staff characteristics.

Tables 2 and 3 present information on the students in our participating charter schools. As other studies have revealed, charter schools attract a diverse range of students, with 63 percent of the nearly 8,400 students in our sample schools identified as minority-group members. Table 2 also indicates that boys and girls are fairly equally attracted to these schools.

Table 3 presents information that, to our knowledge, has not been reported elsewhere: where charter school pupils are coming from. Of our 8,400 students,

Table 2
Participating Charter Schools: Student Characteristics*

State	Student Total	Race/Ethnicity						Gender	
		White	Hispanic	African-Amer.	Native Amer.	Asian	Other	Female	Male
AZ (5 of 5 schs)	988	215 22%	286 29%	38 4%	441 45%	1 <1%	7 1%	464 47%	524 53%
CA (7 of 8 schs)	3647	812 22%	1783 49%	622 17%	39 1%	300 8%	91 2%	1793 49%	1854 51%
CO (5 of 5 schs)	1159	790 68%	256 22%	82 7%	13 1%	18 2%	0	548 47%	611 53%
MA (5 of 5 schs)	1029	365 35%	186 18%	423 41%	12 1%	22 2%	21 2%	503 49%	526 51%
MI (5 of 5 schs)	971	595 61%	11 1%	341 35%	17 2%	5 1%	2 <1%	476 49%	495 51%
MN (5 of 5 schs)	445	218 49%	20 4%	54 12%	12 3%	132 30%	9 2%	204 46%	241 54%
WI (2 of 2 schs)	149	143 96%	4 3%	0	1 <1%	1 <1%	0	57 38%	92 62%
Total (34 of 35 schs)	8388	3138 37%	2546 30%	1560 19%	535 6%	479 6%	130 2%	4045 48%	4343 52%

*Not all percentages equal 100, due to rounding.

Note: The reader is cautioned not to overinterpret these state-specific data; the schools visited in each state may not accurately reflect that state's charter population. The national totals, however, can be regarded as reliable.

81 percent had been enrolled in public schools immediately before coming to the charter schools; 8 percent came from private schools; 2 percent were home-schooled; and 4 percent had dropped out of school. We find these numbers significant for several reasons. First, having four-fifths of these students coming from regular public schools (most of which have better resources) reveals widespread dissatisfaction with the status quo. Second, the additional 14 percent attracted to public charter schools from private, home-schooling, or dropout situations sends an important message about public education in general and this form of it in particular. This group indicates the existence of many more students and parents within a given community who might provide support for public education if widespread implementation of charter schools allowed them to begin (or resume) participating in the system.

In return for candor from those we interviewed and observed, we promised

confidentiality. That is why quotations in this report are not attributed to individuals by name. That is also why we do not refer to specific facts about identifiable schools that are not public knowledge at least in their communities. Also, we have occasionally taken minor editorial liberties to protect confidences and identities.

In each state, we invited a key individual in the charter movement to serve as our guide, advisor, door-opener, and informant. (These insiders or their organizations—other than government agencies—were paid very modest honoraria from project funds, as was each charter school that agreed to participate in our sample.) We generally also contacted the state "charter coordinator" and others with a bird's-eye view of charter-related goings-on in each jurisdiction. We also collected press accounts of charter developments in our sample states (and nationally) and consulted as many other studies, reports, analyses, and works in progress as possible.

Table 3
Participating Charter Schools: Where Do The Students Come From?*

State	Student Total	Previous Enrollment (immediately prior to charter school)				
		Public School	Private School	Home Schooled	Former Dropout	Not in School**
AZ (5 of 5 schs)	988	913 92%	14 1%	5 1%	21 2%	35 4%
CA (7 of 8 schs)	3647	3184 87%	98 3%	61 2%	119 3%	185 5%
CO (5 of 5 schs)	1159	857 74%	127 11%	56 5%	46 4%	73 6%
MA (5 of 5 schs)	1029	718 70%	247 24%	3 <1%	0	61 6%
MI (5 of 5 schs)	971	717 74%	163 17%	29 3%	4 <1%	58 6%
MN (5 of 5 schs)	445	277 63%	11 2%	15 3%	76 17%	66 15%
WI (2 of 2 schs)	149	104 70%	0	10 7%	35 23%	0
Total (34 of 35 schs)	8388	6770 81%	660 8%	179 2%	301 4%	478 6%

*Not all percentages equal 100, due to rounding.
**Kindergarten, new to U.S., etc.

Note: The reader is cautioned not to overinterpret these state-specific data; the schools visited in each state may not accurately reflect that state's charter population. The national totals, however, can be regarded as reliable.

Our database is not complete, to be sure, and there is no part of our study that someone, somewhere does not know more about than we do. Nonetheless, when it comes to painting an overall picture of charter schools in action around the United States today, we have yet to find anyone with a larger stock of firsthand information than ours.

We committed some of that information to paper in January for a short "first look" report. At that time we had visited about one-third of the schools in our sample. At least sixteen-hundred copies of that report are now in circulation. Many people found it clear and helpful. We sincerely hope that they will form a similar impression of this more complete document.

The project is now at its halfway point. This is our end-of-year-one report, as promised to the Pew Charitable Trusts and the hundreds of people who cooperated in our data-gathering and to whom we are lastingly grateful. Some of these people are named in the appendix. Many more are not.

We have a similar plan for 1996-97. We will visit several dozen schools; some will be return engagements, to see what difference a year makes in their institutional lives. Others will be schools that did not even exist during our first year in the field. We also expect to add at least one more state to our sample and will probably subtract one.

We will do so because the charter movement in the United States has spread rapidly at the state level while we have been observing it. In the summer of 1995, when we began, nineteen states had charter laws (with the first having been enacted in 1991). Today, twenty-five states and the District of Columbia have such statutes. It appears that some fifteen of those jurisdictions will have at least a few charter schools in operation during the upcoming school year and that the country may have as many as 350 functioning charter schools this fall.

Charter schools are not the panacea, but one of the medicines to help heal a very sick public school system.

Minnesota charter board member

Actually, some of these institutions barely qualify as "charter" schools even though they bear that label: some state laws are more generous in bestowing the charter designation than in actually liberating schools to make key decisions about programs, staff, and resources. We are beginning to see institutions that are charter schools in name only. Indeed, our 1995-96 sample (particularly in Wisconsin and California) includes some specimens of "charter" schools that remain subordinate to district administrations and school boards in many important matters. We will provide more information on this issue later in the report.

Section 2 of this report discusses some of the highlights and accomplishments of the charter schools we observed.

Section 3 explores a quartet of significant start-up problems many charter schools have encountered.

Section 4 considers seven charter-related dilemmas contemporary policymakers face. (Some of these troubles overlap but are not the same as the start-up problems reviewed in section 3.)

Section 5 contains some general conclusions and summarizes our recommendations. It is followed by five appendices that provide key characteristics of the charter laws and charter programs in the seven states of our first-year sample, short descriptions of the schools in that sample, a list of policymakers we interviewed, and publications referenced in the report.

Finally, a word about objectivity. All three of the primary researchers entered this project believing that charter schools can help reform American education. All three of us were often inspired and sometimes moved by much of what we saw in the field this past year. And each of us was occasionally disappointed.

We did not begin as utterly neutral observers, and at the halfway point we are generally more enthusiastic than we were at the outset. Yet an interesting thing happened to our "first look" report. Many readers told us they were

surprised by how gloomy we seemed to be about charter schools. Others said that they were encouraged by our positive findings.

Perhaps we were enigmatic. We think, however, that we simply described the phenomenon as we found it—the good and the bad, the ugly and the beautiful. That approach may not follow all the precepts and protocols of formal social science, but we believe that it is honest and fruitful.

Hundreds of people have earned our thanks. Here we can only mention by name a very few of them, beginning with our seven state advisors: Kathi Haas, Director of Charter Schools Administration, Arizona State Department of Education; Eric Premack, Charter Schools Project Director, Institute for Education Reform, California State University; Jim Griffin, director, Colorado League of Charter Schools; Linda Brown, Pioneer Institute for Public Policy Research, Boston; Bob Whittmann, The Michigan Partnership for a New Education; Peggy Hunter, Charter School Strategies, Inc., Minneapolis; and Senn Brown, Wisconsin Association of School Boards. Others who rendered special help to this project include Jim Goenner, Senior Associate Director, Charter Schools Office, Central Michigan University; and John Kakritz, executive director, Arizona Charter Schools Association. At Hudson Institute, we're especially grateful to Sam Karnick, who oversaw the editing and production of this report, Mark Sturdavent, Tammy Dean, Gregg Vanourek, Rebecca Arrick, and Sheryl McMillian.

II Charter School Accomplishments

What has the charter school movement accomplished since its birth in Minnesota in 1991? What difference is it making in American education?

The movement is but five years old—ready to enter kindergarten, one might say—and we cannot even foresee what it will look like as an adult, much less what it will achieve in its lifetime. We also cannot foretell with any accuracy what adolescent storms may lie in store in the near future. Furthermore, our research has aimed only to describe and analyze start-up problems of charter schools rather than appraise the schools' overall effectiveness. Nevertheless, we have seen much during the project's first year, and we have formed significant impressions we would like to share, if only to satisfy the curiosity of educators and policymakers for information about "how charter schools are doing."

There is—let us say it plainly and early—one big gap in our (and everyone else's) information base: we do not yet know how much and how well the students in charter schools are learning, or whether their academic achievement will surpass that of similar youngsters enrolled in more-conventional schools. Ultimately, the effectiveness of charter schools must be judged against that standard. There must be no backsliding from this. Unfortunately, too few charter schools have been operating long enough to allow accurate appraisal of their academic achievement. This problem is exacerbated by the quirky, innovative nature of many of these schools and the inchoate character of most states' standards-and-assessment programs.

Still, we have detected clear indications of what charter schools are accomplishing for their pupils, how well they are meeting their goals, and their impact on families, neighborhoods, communities, and the larger education system. We present here some of what we have observed, mindful of the limits to generalization about such a rich, diverse galaxy of institutions operating in a variety of disparate legal universes. Moreover, we are mindful of the hazards of saying anything definite about schools the majority of which have just completed their first or second year of operation.

Origins and Impulses

Where do charter schools come from? The stork certainly did not bring them. It is possible to describe nearly all charter schools as either "conversions"—preexisting public or, less commonly, private schools transformed into charter schools—or "start-ups," which are new schools, born with their charters, that would not otherwise exist. Our sample includes eight of the former and twenty-seven of the latter. (We have also encountered a few hybrids, such as a preschool that, thanks to the charter law, was able to transform itself into a fully-functioning elementary school.)

From what source comes the impulse to initiate these daunting projects, and who does the heavy lifting? We find it useful to sort charter founders into three categories.

One important group is educators—teachers and others—who want to do

things differently, who are frustrated in their educational vision and goals by the stifling bureaucracy of conventional schools. Furthermore, they are professionals who have long dreamt of running their own school their own way.

City on a Hill charter school in Boston exemplifies this phenomenon. Two public school teachers founded this school, both of them had worked in the Chelsea district and had reached the point where, as one of them says, "I was banging my head against the wall. The time had come to try something different. The charter law gave us the freedom to start from scratch and do what we had often talked about doing."

They applied for a charter and opened as a grade 9-10 school enrolling sixty-five students, half of them African-American and another fifth from other minorities. The school is located in a large YMCA near Northeastern University and has partnerships with several nearby cultural institutions such as the Huntington Theater, the Boston Ballet, and the famed Boston Symphony. City on a Hill has a core curriculum, a focus on civic education, and a waiting list of nearly 50 students. It will gradually expand to grades 7-12 with a total enrollment of approximately 225 students.

Other examples of teacher-initiated charter schools include Constellation Community Middle School in Long Beach, Sierra Leone Educational Outreach Academy in Detroit, and St. Paul's City Academy, the nation's first charter school. The founders of Constellation are two Long Beach public school teachers who couldn't make the kinds of restructuring changes needed at their middle school to give urban, minority kids a world-class education in the core subjects. The founders of Sierra Leone are special education teachers who were long frustrated with the "dumping-ground" syndrome of traditional special education programs. The founders of City Academy were driven by their awareness of how little the traditional education system does to retrieve those who drop (or are pushed) out of school.

Another group of charter founders is parents who seek something different and better for their children and have not found satisfaction in their school systems, yet in many cases cannot afford private schools. Some are liberal, some conservative, widely varying in their educational priorities, but all sharing an abiding will to ensure that their daughters and sons get the best possible education.

The charter school approach offered us a way to get the monkeys of the state and the district, with all their rules and regulations and bureaucracy, off our backs.

California principal

Jingletown Charter Middle School in Oakland is a perfect example of a parent-initiated start-up. Parents whose children attended Lazear Elementary wanted an opportunity for their kids to progress to a middle school that was safe from the drugs and violence rampant in other local schools. They approached Clementina Duron, then principal of Lazear, for assistance in starting a charter school.

Despite intense union and board opposition, the school was finally created. Ms. Duron is now its principal, overseeing an 85 percent Latino student body. Although the bitter battles waged over its founding left many scars, the Jingletown saga demonstrates the constructive potential of energized parents who team up with wise and courageous educators. The Jingletown parents are so pleased with the results—especially the sharpened focus on academics free of violence and gang fighting—that they are now pushing to expand it to grade 10.

Another example of a parent-initiated charter is Francis W. Parker School in Fort Devens, Massachusetts, founded by three parents. It is based on the nine principles of Ted Sizer's Coalition of Essential Schools and enrolls 120 students

This charter school is already making a difference in my district. Administrators are now beginning to sense that there is some competition out there and that their schools need to treat the parents like customers.

Michigan district board member

I believe that charter schools give us a way to be innovative within the public school rubric. They give us a way to move forward on a new notion of a system of public schools. I think that it is an innovation worth trying.

Wisconsin district superintendent

from 19 communities in grades 7-8.

Consider also little Emily Charter School in rural Minnesota. A closing elementary school was transformed into a charter school when the entire town rallied for its revival, then was maintained on a budget the neighboring district dubbed inconceivable. Or Renaissance School in Douglas County, Colorado, the "progressive" charter school in a fast-growing suburb already harboring two "traditional" charter schools. It provides individualized education and multiage groupings and has nearly completed arrangements with an office-park developer to build a facility for it to lease.

The last group of charter founders comprises others—we can term them "third parties"—who for various reasons want to start or operate schools of their own. Some are nonprofit organizations, some profit-seeking corporations, some multiservice community groups, but all have taken advantage of the opportunity afforded by the charter law to put their ideas into practice.

Livingston Technical Academy in Lowell, Michigan, is one such school. Started by a group of individuals representing various manufacturing firms in the community, the school provides 11th and 12th grade students with hands-on technical skills training and experience. It is one of several trade academy charter schools that received start-up grants from Governor John Engler's Jobs Commission. Operating on the campus of a local college, the school is doing what many believe vocational programs should have been doing all the while—comprising a full eight-hour day of integrated academics and occupational skills combined with ten weeks per year of apprenticeship training.

The Boys & Girls Academy in Arizona is another example. This venture was initiated by a local boys/girls club (spearheaded by the state's attorney general) to provide better education for middle school youngsters in a disadvantaged neighborhood of Mesa and to take advantage of the club's capacious new facility during hours when it was unused.

Community Day Charter School in Lawrence, Massachusetts, is a third example, with an interesting twist. This K-4 charter that now enrolls 110 students was founded by Community Day Care of Lawrence, a private, nonprofit agency that's been in Lawrence for nearly twenty-five years. After the school became a separate legal entity, the Board of Directors contracted with Community Day Care to manage the school.

Among the thirty-five schools in our sample, twenty-three can trace their lineage fairly clearly to one of those three categories of founders: eleven to educators, eight to parents, and four to others. In a full third of our sample, however—a dozen cases—two different categories of founders teamed up to start schools, with educators/parents forming five of these combinations and educators/others the remaining seven (we encountered no instances of parents/others).

In Los Angeles, for example, we found a school that draws together several of these features. Fenton Avenue Charter School is a pre-K through grade 6, year-round, three-track school enrolling more than twelve-hundred kids. Located in Lake View Terrace in the San Fernando Valley section of the Los Angeles Unified School District, the school comprises mostly Hispanic students. Fenton Avenue was a "public school conversion" initiated by founding groups of parents and teachers working cooperatively to secure fiscal and educational autonomy from the district. The school's annual revenues amount to approximately $5.5 million, and its fiscal autonomy has allowed much that was

impossible under the previous arrangement, including the following: reducing class size to twenty five; adding after-school and Saturday programs; managing and operating the school's own food-service programs; providing free accident insurance for kids and long-term disability for employees; and restoring a 10 percent staff pay cut.

The people in this charter school really care about what I learn. At my other school, it was easy to hang back and do nothing; no one really pushed you to try harder.

Michigan student

Imaginative Education

Though state charter laws differ greatly—some are far more generous than others in conferring true autonomy on individual schools—every law requires charter applicants to address a fairly standard set of issues and questions. These typically include written descriptions of the proposed school's educational program and method, assessment tools, budget plans, staffing arrangements, student recruitment strategies, and other major concerns.

Notwithstanding the uniform questions and categories on the charter application what has emerged across the land hardly resembles a one-size-fits-all charter model. Indeed, there are places where two very different kinds of charter school operate within a few blocks of each other. The schools we have studied are distinctive in important ways, and their innovations are extensive. The degree to which these schools vary can seldom be appreciated by merely reading their charter applications, documents comparable to the similar-looking cocoons from which strikingly dissimilar butterflies emerge.

Two caveats are worthy of mention at this juncture. First, although we found some schools whose educational philosophies differed from our own, we did not see any that seemed bizarre or inappropriate for children, nor any that stepped beyond the reasonable bounds of publicly-supported education. Second, educational innovation is best appraised in context. Charter critics and weary reformers may claim that there is nothing taking place in any charter school that cannot also be found in some "regular" school somewhere in the land. It is of small importance, however, to the disgruntled parents or frustrated teachers of Lakeville that some school in Desert City, a thousand miles away, already has the program for which they yearn—it might as well be on another planet. Where progressivism reigns as local orthodoxy, a back-to-basics school signifies innovation—and vice-versa. Where traditional age-grading is the norm, multiage grouping appears revolutionary. Simply stated, if you crave tea and all the local restaurant serves is coffee, the opening of a cafe stocked with Darjeeling and Oolong can look like an extraordinary breakthrough.

I feel like these teachers are bloodhounds, always tracking me down, always right on my rear.

California student

We also encountered charter schools that struck us as remarkably imaginative in their general approach, schools with promising educational strategies we had not previously come across. The following four types should serve to illustrate the point, though they certainly do not span the full range of innovations we observed, either in their instructional methods and curriculum or in areas such as governance, financing, facilities, staffing, and scheduling:

Schools for Special Populations. According to the Education Commission of the United States, approximately half of all U.S. charter schools were created primarily to serve at-risk youngsters. Our impression is similar—the educational niche many charter schools seek to fill is in retrieval and recovery of young people whose education is otherwise vanishing. Nonetheless, we found much variety among the individuals, groups, and institutions that have come together to create such schools. They include social service and juvenile correction agencies, neighborhood-based groups, postsecondary institutions, and private

businesses. Lowell Middlesex Academy, for example, is sponsored by a community college in Massachusetts. It enrolls 100 high school dropouts, nearly all of them long gone from the public school system. The Charter School of San Diego is actually fifteen storefront "schools" around the city, covering 253 square miles and spanning the equivalent of grades 6 through 12. It targets urban youth who are not succeeding in conventional classrooms, crafting individualized study for each student outside traditional settings. The Success School in Phoenix and Yuma, Arizona, is also a multisite program for troubled young people, many of whom are teenagers on parole or probation from the state juvenile corrections system, who have had very little success—and are generally no longer welcome—in ordinary schools.

They don't allow anyone to just get by here.

Massachusetts student

Distance Learning/Home Schooling. Although small, our sample offered several opportunities to see "virtual" schools that not only lack any resemblance to traditional schools but in fact can scarcely be called "places" at all. For example, the Choice 2000 On-Line School in Perris, California, is "open" for students twenty-four hours a day; it is a modern technological version of a one-room schoolhouse except that this room has hardware, software, phone lines, and a few teachers on the premises. Its students—who live all over California—mostly attend via computer.

Horizon Instructional System in Lincoln, California, provides home-based learning programs and supplemental education projects centered on the state's program of independent study. This means heavy emphasis on a rigorous "back to basics" curriculum combined with generous use of technology, targeting those who desire an alternative to classroom-based instruction.

Teacher Cooperatives. In LeSueur, Minnesota, the New Country School has no employees as such. Rather, it relies on EdVisions Cooperative, a contract group of teachers and others, for its educational and management services. Besides having no conventional employees of its own, the school offers a highly innovative, competency-based, individualized approach to learning. Each of its eighty-five middle- and high-school level students is working at his or her own pace to complete more than two-thousand competencies, by means of both traditional textbook approaches and more novel methods including development of HyperCard programs. Parents and community members attend monthly exhibition nights and rate the student projects presented.

This school is helping me prepare to be a good citizen in my community.

Massachusetts student

Contract Schools. Teacher cooperatives are not the only entities that provide contract services to charter schools. Private firms manage major if not all elements of some schools' educational and business affairs. Boston Renaissance Charter School involves two for-profit organizations—The Edison Project and Advantage School, Inc.—and the citizen-based Horace Mann Foundation.

Assuredly, some conventional public schools are innovative in many ways, often under very confining conditions. Still, there should be no doubt in anyone's mind that charter schools have taken the opportunity to push their education paths into new domains. Indeed, perhaps the most significant accomplishment of the charter school movement to date has been the creation of an environment in which laymen and professionals can join together to recast the mold of what a school can be. They are not only creating better environments or dreaming of a brighter future but actually opening the doors of new and different schools that serve thousands of young people today.

The Children Served

Nearly all charter laws identify minorities and other "special" or "at risk" populations as preferred students for such schools. We conclude that this progressive intent of the law is being achieved. Consider these facts: 63 percent of the students in our sample are members of minority groups (compared to 34 percent in conventional public schools in these seven states), and more than half are eligible for free or reduced-price lunches (compared to slightly over 33 percent in conventional schools in our sample states). Further, these schools are drawing back into this form of public education young people who had flocked to private or home schools. We refer the reader to our discussion in section 3 of "Kids with Problems" and particularly the data found in table 2 on page 14 and table 3 on page 15.

I want to be judged as rigorously as possible on what kids learn.

Massachusetts teacher and school founder

Typically, our interview with students—most of them older but some in the primary grades—also revealed that the children are very satisfied with the education they are receiving in charter schools. Across our thirty-five schools, 121 students were interviewed. When asked to describe the impact their school was having on them and how it was different from their previous schools, observations such as these were offered:

- **High and clear academic expectations.** Staff clearly communicated to children that the purpose of coming to school is to learn. The academic demands challenged them and were uniformly high for everyone, which was a new experience for nearly all the students with whom we spoke. Every pupil was expected to be prepared for class daily and to do assigned homework.
- **A safe environment.** Many came from schools where violence was common, and some had experienced it themselves. In the charter schools, written rules made it clear that there was "zero tolerance" for physical violence, taunting, drug use, etc. On the few occasions when someone threatened violence or acted violently, there was an immediate imposition of the appropriate penal actions outlined in the school policy, generally followed by a family conference. No one doubted that safety and order were of paramount importance to the charter school community, an understanding that facilitated the focus on academics.
- **Individualized instruction.** Programs were tailored to meet the needs of students; special tutoring was available; there was no excuse for any student's failing to get help when needed.
- **Committed staff.** Everyone—including those on the food service, custodial, and security staffs—was dedicated to the students' success. Encouragement and assistance appeared in various guises. Teachers sought out students who needed help rather than waiting for youngsters to come to them, and students knew that they could ask for whatever type of assistance they needed, whether academic or personal.
- **A good family.** The charter school was often described by students as a second family; indeed, for some it was clearly the closest they had ever come to any sort of nurturing, caring family. Older students were apt to talk about how, in the words of one Californian, "This school is a real diverse community composed of different colors and abilities and viewpoints where we're all

It's a lot more interesting around here than where I used to teach. We haven't all gone to schools of education to get credentialed. Thank God for that!

Massachusetts teacher

learning how to live with the same rules and are offered real care and support when we need it."

I feel like I'm a sponge. I'm always soaking up something new, something interesting, something challenging. I really feel free to use my professional judgment in a way that's never happened before this school.

California teacher

Opportunities for Teachers

Based on classes we observed and people we interviewed, charter schools are attracting many excellent, often unconventional individuals to their classrooms and the teaching profession, and those responsible for staff selection are imaginatively availing themselves of the freedom to hire such people. For a more detailed discussion of staff, see section 3, particularly table 4 on page 44.

Though we collected no statistics on whether teachers actually have more classroom autonomy and greater voice in running the schools, our interviews certainly support this contention. They also suggest that staff in charter schools are jacks- and jills-of-all-trades. Although their primary responsibility is to teach, they also deal with parents, clean up classrooms, create the curriculum, buy their own materials, function as social workers, and play a variety of other roles.

Across the thirty-five charter schools, our team interviewed 196 teachers and other individuals with partial teaching duties. When we asked why they had chosen to teach in the charter school, they offered the following benefits as explanation:

- **Freedom and flexibility.** There is less red tape, a minimum of pointless paperwork, and much more autonomy in charter schools. Teachers can write their own curriculum or adapt one to fit their students' needs.
- **Family atmosphere.** Teachers and students are learning together. Classes are typically smaller, and many teachers have genuine team-teaching responsibilities. The small size of the school means that everyone knows everyone else. And there is a better teaching environment because discipline is superior: many things tolerated in conventional schools are not permitted in charter schools (name-calling, talking back to teachers, and similar forms of misbehavior).
- **Sensible administration.** Every decision in the school is focused on what will help students learn to higher standards rather than on tradition, regulatory compliance, or union demands. Teachers have more control over decisions and resources, and there is a high degree of parental and administrative support for teachers' classroom goals and efforts.
- **Dedicated staff with diverse backgrounds.** Charter staffs, though new, appear more committed and less transient. They are in this particular school for a reason, not just because they happened to get assigned there. Despite heavier workloads, charter teachers are more willing to assume responsibility. They are also more diverse in background than conventional public school teachers.
- **Enhanced accountability.** Teachers cannot (and do not) blame anyone else for failures or problems. They believe charter schools make them more accountable than their peers in conventional schools for students' learning and accomplishment. Teachers say they have come to hold

There's not a lot of time wasted in extraneous things here. People know what they're about, why they go to meetings, and what we want to accomplish.

California teacher

much higher expectations for all students.

Parents and Families

A 1995 report from the Public Agenda Foundation describes popular support for America's public schools as "fragile . . . porous . . . and . . . soft." A particularly striking fact is that nearly six in ten parents with children attending public schools say that they would send their children to private schools if they could afford to. The report interprets this information as "a public poised for flight . . . unless schools begin to deliver on what the public considers to be the essential elements of education: school safety, higher standards, order, and smaller classes." Do charter schools offer parents choices that can reverse this flight by delivering what the public wants within the context of public education? Are parents acuve in starting and supporting these schools? Our evidence suggests that the answer to these questions is "yes." In many interviews, parents indicated that they had chosen charter schools precisely because they sought the essentials the Public Agenda surveyors heard them describe: safety, high standards, order, committed teachers, and smaller classes.

Charter schools cause school personnel to work for their money. If they want my child in their school, they need to perform.

Michigan parent

In addition to talking with parents about their reasons for opting into charter schools, we saw several indicators that the schools are succeeding in satisfying their primary "clients."

First, nearly every one of the schools in our sample has a waiting list. Families who want to send their children to a charter school are being turned away for lack of space. For example, as of June 1996, Massachusetts reported 3,202 students on waiting lists (with two schools yet to report) and around 5,600 projected to enroll for the 1996-97 school year. Quite simply put, charter demand exceeds the supply.

Second, parent involvement is high. Only a handful of our sample schools impose formal obligations on parents, and more would like to. Yet most of the schools we visited benefit from hundreds of hours per week of parent volunteer time (not to mention the hours of schoolwork assistance many parents provide their children at home). Many schools are also flexible in finding ways for working parents and other busy people to lend a hand, including evening and weekend opportunities.

We began to think we could do better for our kids than the district was doing. Sure as hell we couldn't do any worse. We were parents trying to do something better for our kids. If we belly up, at least we tried.

California parent and school founder

One reason parents spend so much time helping at charter schools is that, often for the first time, many feel welcome in their child's school (more than a few parents who told us this were immigrants whose comments were translated from Spanish, Khmer, and other languages.) They become involved in everything from governance to building rehabilitation to tutoring to monitoring buses. Some also avail themselves of charter school-sponsored programs to extend their own education, pursuing GEDs, learning English, and so on.

Third, parents contributed much toward creating some of these schools in the first place. More than one-third of the schools in our sample were founded by parent groups alone or in alliance with educators. Though some critics predicted that charter schools would divide parents from educators, further eroding popular confidence in public education, the extent of parental cooperation in starting schools suggests quite the opposite.

Finally, we have seen charter schools bring together groups and families in new and promising ways, sometimes across political divides that previously fractured communities. HIS School in Lincoln, California, has adopted the charter approach to create an umbrella under which parents may choose from

an array of educational options, according to their child's needs; choices include home schooling, independent study, and other special classes. This framework has enabled parents with widely divergent points of view and educational preferences to come together under the banner of parental choice in public education.

Our children came from traditional public schools, where everyone basically learns at the same pace in the same manner. In this charter school, children are treated as individuals, each with their own unique talents, strengths, and style of learning. Incredible things are happening.

Michigan parent

Across the thirty-five charter schools, 164 parents were interviewed, and most expressed great satisfaction in their schools' performance. When asked to describe how the charter school differed from previous educational settings in which their children had participated, they offered the following observations:

- **More open to parents.** The charter school is more receptive to parents; their ideas and suggestions are welcomed and acted upon.
- **Higher student expectations.** The school has higher academic and personal conduct standards for all students; they are expected to take responsibility for their own learning and behavior.
- **Improved curriculum.** The charter school's curriculum is coherent and has a clear set of themes or topics. Students have a better understanding of why they are learning something. There are many hands-on experiences and much parent involvement in activities, and much greater flexibility and individualization, featuring enrichment activities as an integral part of the education program.
- **Dedicated teachers.** Charter teachers work harder to meet the needs of every student. Classrooms feature fewer teacher lectures and fewer bored students. The teachers are allowed to teach, to be professionals.
- **Family atmosphere.** The small size of the school and smaller (and sometimes multiage) classrooms, create an environment that is comfortable for students and parents alike, one in which youngsters can progress academically and socially at their own pace.

The district's relationship to the charter school has gone from tumultuous to mellow. We might even become a charter district.

California superintendent

When asked why these benefits are accruing within charter schools more than at "regular" ones, parents emphasized the smaller bureaucracy in the charters. Many conventional public schools are big, regulated, and complacent, with a teachers' union stifling change. Parents also mentioned accountability. They observed that conventional schools have a monopoly that leaves them with scant incentive to improve what they are doing, whereas charter school staffs know that they must be successful—and accountable—or be gone.

School Boards and Superintendents

Four states in our sample—California, Colorado, Minnesota, and Wisconsin—give local school boards primary authority to approve or deny charters. Nearly 70 percent of the schools we visited got their charters from local boards, but many of them have rocky relationships with their overlords—and they are also a source of disquiet, if not hostility, on the part of the board and superintendent.

Still, we also saw signs of board members and superintendents striving to help their charter schools succeed because they saw value in the charter movement. It cracks the glacier of conventional schooling in many ways, makes

possible things that cannot easily be done under regular education statutes, regulations, and collective bargaining contracts, and pushes the district to explore ways to use the charter law for desired innovations of its own.

Board members and superintendents who support charter schools voiced several reasons for this uncommon attitude. They noted that parents and teachers now have more alternatives within public education; that these schools enroll troubled kids that "regular" schools cannot handle; that charter schools set good examples for other schools; and that the presence of these schools forces the unions to become more flexible.

The establishment of a "pilot schools" program in Boston illustrates how charter schools can have ripple effects. Shortly after Massachusetts approved charter legislation, the Boston School Committee and Boston Teachers Union—both vigorous opponents of the charter bill—inaugurated their own "pilot schools" program. These schools are freed from many school system and teacher union restrictions, receive their funding in lump sums, enjoy considerable fiscal autonomy, can select their own staff without regard to seniority, can make many of their own purchasing decisions, and so on.

As one state policymaker commented, "The [Boston] School Committee and the union would never have done that if it weren't for the charter school legislation."

Another reason surfaced for positive attitudes toward charter schools. Superintendents and board members seldom raised the topic, yet when we asked about it, smiles often appeared on their faces. Public money follows children into charter schools; therefore, some of these schools are bringing new funds to district coffers. This is especially true where districts can retain an "overhead" payment on charter school funding and where charter schools enroll students from outside the district.

HIS School in Lincoln, California, for example, reports that over the past three school years its agreement with Western Placer Unified School District has benefited the district financially to the tune of more than $750,000. Also, the district receives rent for space, and services it provides to the charter school are billed directly in fees.

Is it any wonder that we are seeing early signs of local school systems starting charter schools for reasons of their own? Some of those reasons seem to us commendable, others mischievous. As with the teacher unions initiating charter schools, these new ingredients spice up an already complex stew, but it is far too soon to know how the final result will taste.

I've developed the newspaper solution to dealing with problems the district creates for us. When things get really ridiculous, I tell them I'm going to the newspapers. They know I'll do it. I give them a few days. Bingo, the problem is solved.

California principal

The superintendent doesn't want this charter school in his way. He sure hasn't cut us any breaks.

California assistant principal

Finances

Sections 3 and 4 discuss charter school finance issues in more detail. Here we sketch the financial difficulties these schools face and the accomplishments they have managed to gain under these often challenging circumstances.

The states in our sample vary considerably in the ways they fund charter schools: typically, however, new (as opposed to conversion) schools encounter serious financial problems when they begin. These troubles are usually related to capital funding, facilities, credit, and cash flow. A significant number of schools in our sample still face such problems.

Further, the more services the local district provides to the charter school, the more revenue it can claim. Charter schools with relatively little fiscal autonomy have almost no power of choice in such matters and must take what

they can get. Where the charter school is free to obtain its services wherever it likes, by contrast, the district may lose its business—unless the district can successfully compete.

We fight for every dollar.

Colorado charter administrator

Because of sticky negotiations, overhead charges, and lack of autonomy, most charter schools wind up with less money per pupil than conventional public schools. In Colorado, for example, just one of the five charter schools we visited receives 100 percent of "per pupil operating revenues" (albeit with no capital funding). Because charters have had to make do with less, many are forced to squeeze blood from turnips, by such means as lowering teachers' salaries.

Yet challenges that might prove daunting to others—particularly conventional public schools which seem to believe change always requires more money—have not noticeably dampened the creativity or enthusiasm of charter school operators and staff members. We have seen some extraordinary improvements in the efficiency and productivity of various school operations. California's Fenton Avenue School, for example, has hired Marriott catering services as consultants to revamp their food service operation, while still retaining Fenton staff to operate the program. Marriott conducted time and motion studies, evaluated menu selection, analyzed federal school lunch requirements, and considered other applicable factors. The improvements to the food program resulted in savings that enabled the school to purchase a new walk-in freezer and refrigerator, increase salaries of the food staff, add one full-time and one part-time staff person, and offer students more menu choices.

Every bid the district submits to us is way out of line compared to what we get from private contractors. The district folks want to know why they don't get our business. I tell them straight to their face, "Give me a price that's competitive."

California principal

Another example concerns teacher salaries. Though a majority of schools in our sample (54 percent) receive substantially less money than other schools in their districts, 43 percent are able to offer competitive salaries to all their teachers, another quarter offer competitive salaries at least to new teachers, and 4 percent of the schools pay significantly higher salaries to everyone.

Conclusion

We began this section by asking what the charter school movement has accomplished since its inception. We conclude that much is being accomplished. Although these schools are no panacea for every problem in American education, they are a positive and valuable force for change in today's education system. They have impressed us in six ways:

First, they have taken seriously the charge to be innovative in carrying education to new levels. Perhaps their most significant accomplishment has been to unleash the educational imagination of a diverse band of charter founders, lay and professional, who are committed to recasting what a school can be, not tomorrow but today.

Second, these schools serve a large proportion of minority and other special-needs kids, thereby fulfilling one of the charter school law writers' main hopes. They are also drawing back others who had left public education. This market dynamic has created a singular situation that few conventional schools encounter: lists of students waiting to enter.

Third, excellent and often unconventional teachers are flocking to charter schools and finding new professional opportunities there. They generally discover that more autonomy in the classroom means a stronger voice in issues affecting the school. Those who hire staff have more freedom to recruit and hire a wide variety of talent.

Fourth, charter schools meet the needs families most often voice: safety,

high standards, order, committed teachers, and smaller classes. This elicits from parents a remarkable enthusiasm and a high degree of involvement.

Fifth, though we have witnessed much foot-dragging and hostility from local school boards and superintendents, not all are antagonistic toward charter schools. Some are even beginning to explore how their school systems might make good use of the charter law for their own innovations.

Sixth and finally, charter schools are performing their own version of the miracle of loaves and fishes. Most have faced serious financial problems, receiving less money per pupil than conventional schools. Yet far from dampening their enthusiasm or energy, this adversity seems to have spurred administrators, teachers, families, students, and others to be enterprising and shrewd in their use of resources and has evoked extraordinary improvements in efficiency and productivity.

All told, charter schools are off to a remarkable start.

We add big bucks to the district's budget.

California charter administrator

III

Major Start-Up Problems

Kids with Problems

More than half the charter schools in our sample encountered unexpectedly difficult challenges from the students who enrolled in them. In almost one-quarter of the schools, these challenges were grave enough to cause significant concern and often some retooling.

The student demographics in the schools of our sample hint at some of these challenges:

- More than half the students are eligible for free or reduced-price lunches.
- Almost one in five has limited English proficiency.
- Almost two-thirds are members of minority groups.
- Almost one in five has a disability or learning problem.
- Four percent had previously dropped out of school (and two percent were being educated at home).

As these numbers suggest, U.S. charter schools are grappling with a pair of student-based challenges. First, it is evident that they are heavily attended by disadvantaged youngsters, many of whom bring a full measure of the pathologies of the American "underclass," of which one—but only one—is a history of previous educational failure and low achievement. Such girls and boys are also likely to be poor, live in single-parent families in troubled neighborhoods, and have health and nutritional and emotional problems. These youngsters are, in fact, the very ones so often ill-served by U.S. schools—and their problems frequently exceed what regular schools are willing and able to tackle. So they have migrated in significant numbers to charter schools in search of better education and, perhaps, the easing of other woes.

That they are willing to try again, and see charter schools as an attractive alternative, seems good for American education and American society, but sometimes the charter schools are not quite prepared for the influx. At several schools in our sample, few teachers had pertinent experience. At several, school planners expected pupils with a sturdier foundation of basic skills than was possessed by the children who actually enrolled. At several, the school's permissive educational philosophy proved ill-suited to youngsters whose chaotic out-of-school lives practically begged for order, structure, and discipline. And at some, the opposite seemed to be true: the school's expectations for order and discipline went far beyond what some pupils had ever experienced or could readily accommodate.

Our [regular public] schools are much more tranquil now; the charter school rounded up all the troublemakers.
Colorado superintendent

The second student-based challenge we observed is that many charter pupils are "square peg" kids who do not readily fit into the round holes of conventional schools. Here we are not talking only about "special education" as such. Rather, as we said in our January report:

> We are acquainted with many charter schools—in our sample and beyond—that focus on disabled pupils, boys and girls in

trouble with the law, dropouts and others who have had difficulty thriving in regular schools. Moreover, our impression of the schools we have visited is that, whether or not they set out to meet special needs, the families gravitating to them are disproportionately those of children who can legitimately be described as having such needs, whether or not they have been formally classified as "special ed" pupils. (This stands to reason. Who is most apt to want to shift their child to a different school? Obviously someone whose child is not successful in his/her present school.) Perhaps the best way to describe a large fraction of the charter school student population is various types of square peg kids for whom the round holes of conventional schools aren't a happy fit.

There's really no peer pressure here to do bad things like there was in our other school. I'm sure I'd be pregnant if I were in one of the other middle schools.

California student

Those involved in some charter schools in our sample believe that their institutions are viewed as "schools of last resort" not only by desperate students and parents but also by administrators and counselors at conventional schools. The latter are keen to off-load their most nettlesome problems onto nearby charter schools. We cannot confirm that this is a widespread phenomenon, but we have talked with "regular" school administrators who are well aware that a charter school has enrolled many "troublemakers" and that the regular schools in the vicinity are consequently more serene. This situation does not seem to bother them at all. For example, we encountered a district superintendent and a principal who were adamant in their opposition to all charter schools except the one in their district—which absorbed their former "troublemakers" and dropouts.

The charter school admissions process is like the Mariel boat-lift. We got a lot of good ones but also a few crazies.

Arizona charter administrator

It is impossible to ascertain whether this situation results from natural processes—families spontaneously seeking out brighter educational prospects for their heretofore-unsuccessful offspring—or from conscious "steering" by public-school principals, teachers, and counselors who have wearied of those youngsters. We suspect that both contribute.

Here we are not referring primarily to charter schools whose central mission is to serve at-risk youngsters such as dropouts and ex-offenders. Such schools—perhaps as many as half the nation's charters—seek to attract kids with problems that others cannot or will not deal with. This is an important niche for charter schools and one of the educational roles that strong charter laws facilitate. For example, a school in Arizona that works predominantly with juvenile ex-offenders needs a radically different staff structure and qualifications than a conventional school can employ, and the state's charter law makes it possible to hire and pay staff accordingly. For such schools it is surely no surprise, and cannot fairly be termed a "start-up problem," that young people with troubles are beating a path to their doors. Those are the kids they set out to enroll.

This school is for kids no one else wants. And even if they had them, they wouldn't know what to do with them.

Massachusetts charter founder

Here, rather, we are referring especially to schools that came into being because their founders—parents, teachers, other citizens—had an educational philosophy they wanted to establish in communities where it was otherwise unavailable and to serve families who share that philosophy. For such schools, a heavy influx of seriously at-risk boys and girls can be both a surprise and a problem—and is, of course, most likely to happen to a new school. ("Conversion" charters, such as many of California's, typically retain students with whom staffers are accustomed.) At one staff meeting in a second-year charter, we saw

The main problem with many union types and state legislators who oppose charter schools is that they confuse equity with sameness.

California state legislator

There are few gifted students here, few who are highly motivated, and nobody screened for mental handicaps and other disabilities. We have a lot of students who had just "checked out" educationally but whose parents blamed their previous school for the kids' shortcomings.

Colorado teacher

a teacher brought to tears by her frustration with the classroom challenges posed by unexpectedly troubled (and troublesome) pupils and her dismay at the consequent shift she saw in the school's mission.

This challenge has also evoked earnest efforts to cope. Most of the schools that have faced it have flexed and adapted. They are not conducting themselves like exclusive boutiques that turn up their noses at customers different from those they originally targeted. Most of the schools we visited are putting down their buckets where they are. Some quickly reached out for additional staff training, extra security arrangements, new relationships with community social service (and law enforcement) agencies, better ways of contacting and working with parents, and even unexpected ties with the regular public-school system. Teachers have shouldered extra work, customizing curricula, adapting lessons, devising whole courses that had not originally been planned, and devoting many uncompensated hours to counseling and tutoring the children. These moves show the strong desire (one could even say sense of obligation) of charter schools to produce success with whatever youngsters turn up. This is surely better than accepting failure or throwing up one's hands in futility and hopelessness.

Even the most middle-class and suburban of charter schools may have such experiences. In one rural district as remote from the urban maelstrom as one can get, the local superintendent remarked that his schools were notably calmer since the local charter school attracted all the "troublemakers."

There is a paradox here. A charter school that conscientiously retrofits itself to serve an unexpectedly challenging student body and ends up doing relatively well by those youngsters can expect more such kids and families to beat a path to its door. Thus the school may increasingly be viewed by its community as specializing in disadvantaged and at-risk students—and perhaps less attractive to others than it aspired to be. One result may be a higher concentration of troubled and needy youngsters. Another may be difficulty attracting families that are not at risk. One school in our sample set out to be a "school of choice" featuring an experiential curriculum; it soon found itself enrolling dozens of unkempt and ill-mannered high-school students no other school in the community would deal with—some of them arriving with bizarre hairdos, jewelry in odd places, and a sailor's vocabulary. Some of the middle-class parents of eight-year-olds exploring the school as an option for their little ones took one look at this exotic teenage fauna and decided that their cherubs would be better off elsewhere. In short order this school found itself with a waiting list of troubled candidates for the upper grades and a shortage of untroubled younger pupils.

In another school, students commented that their parents initially saw it as a place for "problem kids" and did not want their child so labeled. One young woman, a former dropout (with asthma), recounted that her parents would not even drive her to school. They wanted their daughter enrolled in a "regular school" where a child might get in some trouble but at least everyone knew it was a "normal school." The responsibility for driving her to school fell to her grandfather, who thought just the opposite: he was thrilled that she was back in school.

It is not necessarily a good thing for at-risk students to attend a school that lacks the capacity to expose them to—and treat them just like—more successful pupils. With such a skewed student body, moreover, a school may encounter difficulty demonstrating its success on the conventional measures (such as pupil

achievement, attendance, and parent involvement) that are built into its charter as indicators.

Even so, if a charter school neglects to take steps to serve those students who actually enroll, it is unlikely to survive. And a school that shuns troubled and at-risk pupils risks gaining a reputation for elitism and exclusivity. (It might, however, improve its near-term prospects of demonstrating academic success.)

Some of the schools in our sample admitted to having steered away prospective students whose problems exceeded the schools' talents or capacities for dealing with them. Some also dealt with acute disciplinary or behavioral problems by asking students to leave. And some rebellious students who had not succeeded in other schools found that they did not really want to attend the charter school, either, and left on their own.

At [my previous school], I got bad grades, I got in trouble, I was ditching a lot of my classes, and few of my teachers paid any attention to me. It was time for a change.

Arizona charter student

Based on our research, however, nobody can fairly say that U.S. charter schools today are "creaming" the smartest, most motivated, and most successful kids. A more accurate statement is that most of the nation's charter schools are dealing with a lot of "milk" the regular dairy cannot or will not handle.

Fiscal Woes

For a host of technical and political reasons, nearly all charter schools receive less money than their traditional public school counterparts. When funding for both operations and capital are considered, many charter schools receive significantly less. Yet these schools are expected to demonstrate better student results or go out of business, while regular public schools and districts are not held to the same performance standard. It is, perhaps, not surprising that fiscal issues are often the greatest concerns facing charter schools, especially at the outset.

Initial Funding

Current school finance formulas typically provide funds once the school's doors are open and students are actually attending. Yet a physical facility, books, computers, furniture, trained teachers, and myriad other school essentials must be in place (and often paid for) prior to the day when children first turn up. Hundreds of hours of planning and development must also occur, often requiring legal, accounting, and other expert assistance. Where do the funds for such pre-opening activities come from? Finding a workable answer to this question is usually a major hurdle for those organizing charter schools, save (sometimes) for those converting from existing public or private schools and thus bringing the necessary infrastructure with them.

Every time we hit the newspapers, we got a lot more kids.

Colorado charter principal

Arizona established a $1 million start-up fund, and Massachusetts used federal Goals 2000 funding to help charter schools get launched. These states, plus four others in our sample (California, Colorado, Michigan, and Minnesota) received federal charter school funds during 1996. Some accessed other small pots of state or federal money (e.g., Michigan Jobs Commission funds). For the lucky charter school groups in these states fortunate enough to get such grants—only in Massachusetts did every group receive some—these $10,000 to $80,000 grants, modest as they seem in the world of public school finance, went a long way toward helping them open their doors. Others were fortunate to have a corporate or foundation sponsor. For the vast majority of charter schools, however, personal bank loans (using their homes as collateral), maxed-out credit cards, and scrounging were the norm. Of the twenty-seven

start-up schools in our sample, nineteen (70 percent) experienced significant problems obtaining initial funds. We heard of other schools that never opened because adequate initial funding could not be obtained.

Some kids have been counseled away from coming here if they were likely to be seriously disruptive or involved with drugs or gangs.

Arizona teacher

Capital Funding

The lack of capital funds—both at the start and ongoing—magnifies this problem. It is one thing to secure money for smaller items such as books and furniture; it is another to obtain adequate funds to buy or rent a usable facility and complete the upgrading that is so often necessary to meet health, safety, and disabled-access codes. Most charter schools do not have any use of district funds levied for capital construction, purchase, and renovation, nor do they have the ability to issue their own bonds. Whereas most states have special programs for the development of small businesses, their educational counterparts—charter schools—have few places to turn. Banks often do not even know what to make of them when they seek loans. Most charter schools, therefore, must use a portion of their operating funds (which in most cases are already less) to secure, furnish, and maintain facilities. Capital funding for U.S. public schools has traditionally been raised through the sale of bonds, using the taxing value of property within a given district. Because charter schools do not have boundaries per se, nor any right to levy taxes, this mechanism does not work for them. They could, however, be authorized to issue other types of special bonds, or state loan programs could be established for them. Although most policymakers have given little thought to this issue to date—and political opponents of charter schools hope to keep it that way—some are beginning to pay attention. Massachusetts, for example, is investigating the possibility of a revolving loan fund for charter schools, building on its Land Bank program and other state financing authorities and using some of its federal charter school money for this purpose. Charter leaders in Michigan are also spending significant time addressing this problem.

I want us to be judged as rigorously as possible on how well we do with kids academically, not on how well we comply with regulations.

Massachusetts charter school founder

Because of the dearth of capital funding, only fourteen (40 percent) of the schools in our sample were in facilities that we considered generally good, twelve (34 percent) were in "adequate" ones, and nine (26 percent) were housed in facilities that seemed inadequate to us. Consider, for example, the West Michigan Academy of Environment Science in Grand Rapids. During 1995-96, this school of 350 students was housed in an old coliseum. Part of its lease requirement was that twice during the year the school had to pack up everything (including books, furniture, and even temporary walls) and move it out of the building—to allow a dog show and a circus to move in! Parents assisted with this burdensome task, which turned out to have one upside: the school could completely reconfigure itself when it set back up in a few days. (Even with these facility-related constraints, the waiting list for West Michigan Academy exceeds 150.) The school plans to acquire its own facility, including garden and farm areas, once adequate financing can be obtained.

Operating Funds

Once charter schools get up and running, operating funds begin to flow, based upon their enrollment. Yet even then, most charter schools do not have access to all the local district funds devoted to school operations. Many (such as Michigan and Minnesota charters) receive only the "state portion" of the funding formula, not the local contribution. In some states, the law says charter

schools are to receive the full state and local average but must negotiate with their local school board for sponsorship (e.g., California), a negotiation that often leads to less than the full average amount. In others, the law only guarantees charters a minimum percentage (e.g., 80 percent in Colorado). Except in Massachusetts, none of the schools in our sample is assured by law that it will receive 100 percent of combined state and local operating funds. This is due partly to technical complexities (e.g., how to get the local portion of the funds to the charter schools), but mostly it results from political pressure on the state not to interfere with locally generated tax dollars.

Many charter schools in our sample also failed to receive complete funding from special state and federal education programs. A few schools eschewed such money for philosophical reasons, such as not wanting to "label" children as "limited English proficient" or "disabled." But most instances of charter schools receiving less than their share of categorical aid dollars can be traced to the fact that federal and state programs are often based upon district—not school—characteristics, and charter schools are often deemed ineligible for such funds. Though many charter schools are now eligible for federal Title I funds (if their state department allows this), there are other federal and state grant programs they do not qualify for (such as education reform projects funded on a district-wide basis).

The charter law supposedly waived nearly all rules and regulations but our local board started to impose a bunch of rules and regulations on us. They all seemed arbitrary. . . .

California charter board member

The consequence of no capital funding and reduced operating funds is that the great majority of charter schools truly must make do with less money than conventional public schools, while being expected to produce superior results. Salaries often take a hit, and individuals play far more roles than in regular schools. Especially in new or start-up charters, we often found no counselors, librarians, or custodians (and few or no administrators). As indicated in section 2, these schools do indeed seem to be accomplishing more with less—but how long can they sustain this?

Who'd ever thought that we'd have to send the district five copies of every receipt we have in order to get our revolving fund reimbursed? Who eats the paper down there?

California office manager

Cash Flow Woes

Another set of fiscal issues that complicate life for charter schools involves cash flow: when and how often they receive their funds. School districts generally get periodic payments from the state, and various means exist to make it possible for them to continue paying salaries and other bills between state payments. Larger district budgets provide some flexibility to handle such cash flow problems. For small, start-up charter schools, however, such diversions in the flow of funds can be crippling. They do not have bank credit, they do not have cash reserves, and they do not have other accounts to switch funds among. For example, Michigan's fiscal year begins October 1, although most schools open their doors in August. This means that schools in Michigan do not receive their first state-aid payment until six or eight weeks after they receive students. Regular districts have funds remaining from the previous year, but new charter schools do not. (Charter schools in Michigan can now request advance payments.)

A second cash flow problem concerns the enrollment base on which the school's payments are calculated. As with most U.S. public schools, charters either find themselves funded on the basis of the prior year's enrollment or according to their pupil nosecount on the 40th or 100th day of the school year. That is fine for schools with stable enrollments but can pose a serious problem for new and expanding schools whose pupil

Sometimes I remember Martin Luther King's great "I Have a Dream Speech" where he says, "Free at last. I'm free at last. Thank God Almighty I'm free at last." I think to myself, he must have known what it's like to want to be rid of all these school forms.

California charter school resource coordinator

population is growing rapidly, sometimes through the year.

The third flow-of-funds concern is who actually receives the money—the district or the charter school? In states with legally independent charter schools (Massachusetts, Minnesota, Michigan, Arizona), state funds flow directly to the schools. In others (California, Colorado, Wisconsin), however, funds flow to the district, and charter schools must usually submit invoices to the district finance office to obtain their portion. In theory, this is a great service that the district could provide for the charter school-and for some it works smoothly. For others, it is a continuing hassle and is seen as a means by which the district keeps them on a short leash. (California law allows for direct funding of charter schools, but the state has not implemented this provision. It will be testing this approach with a sample of charter schools during the coming year.)

Paperwork

Public schools have to jump through many hoops to obtain the moneys due them. For charter schools, these hoops often pose a greater challenge. Extensive state-required paperwork (associated with student counts and bookkeeping procedures, for example) often force the hiring of separate personnel for this purpose. Such costs can be absorbed within larger school systems but pose a hardship for charter schools of 200 students or less. Few state education departments have rethought whether the same paperwork required of large districts should be expected of smaller school entities. Tradition-minded district business managers offer little support for innovations in these areas. Moreover, the knotty nuances of school finance formulas and procedures mean it is often hard to obtain knowledgeable and competent assistance to make sure the paperwork is done accurately. Several schools in our sample have run into accounting and record-keeping problems, and we predict that more will.

Ill-suited Formulae

How about changing one of the school board's evaluation criteria from "substantial compliance with regulations" to "creative noncompliance with regulations?"

California principal

Many school-funding formulas are geared toward districts, not individual schools, and were developed to support the activities of more traditional schools. For example, districts are currently reimbursed based upon the number of students they have in attendance for so many hours per day and days per year. Enrollment in specific subject-based classes (e.g., Carnegie units) is often a factor. Some adjustments have been made for alternative schools, but, for the most part, "seat-time" still drives U.S. school finance formulas. Many charter schools are attempting to offer different learning structures that purposely alter the traditional approaches. Some utilize banks of computers and file servers that enable students to learn at any time and virtually anywhere through cyberspace. Others use community-based projects and competency-based learning, one result being that their students spend little time in the school building. Funding formulae based on their physical presence clearly clash with such educational strategies. Creative solutions are necessary. California's cyberspace Choice 2000 charter school, for example, utilizes a student contract requiring them to log-on no less than two hours a day, five days a week. This serves as evidence that they are "in attendance."

Transportation funding is another example of formulas that do not always work for charter schools. Most districts rely on bus-based systems and formulas that were developed to calculate district reimbursements based on bus route miles. Many charter schools, however, rely on parent-provided or public

transportation. Significant problems arose this past year in Arizona as the state education department reimbursed many charter schools not using conventional buses. What was later determined to be millions of dollars in "overpayments" created all manner of financial and public perception woes for a number of these schools. Legislation was passed to solve this problem in the future, but similar funding quirks most likely lay ahead for other states.

Nothing rattles traditional school interests more than the possibility that some upstart will make off with some of "their" funds—and nothing makes charter opponents happier than a witches' brew of fiscal, paperwork, and public relations woes being forced down the throats of charter schools. That is why money-related problems loom so large among the start-up (and operating) challenges most charter schools face. Yet these problems could be eased or solved by policymakers willing to roll up their sleeves and get into complex and controversial matters. The prospect for successful charter schools in the United States would be greatly brightened if this were to happen.

I think all we should do is make sure schools are safe, clean, available to all, and helping kids learn to high academic standards. I don't really give too much of a damn about the rest.

Massachusetts school committee member

Regulatory and Political Hurdles

Strong charter laws afford a large measure of fiscal and educational autonomy so that the schools can do what is needed to meet the goals they set for themselves. (See Table 5 in Section 4 for a list of ten key components of a strong charter law.) But even the strongest laws that confer the greatest autonomy also impose on charter schools a minimum set of laws and regulations, usually involving health, safety, and nondiscrimination requirements.

These are legitimate tradeoffs, made for valid public reasons. Sometimes, however, they go beyond the minimum necessary to protect children and safeguard the public interest and instead stymie those who seek to start a charter school. Such rules can also shackle those who have actually begun charter schools, denying them the freedom and flexibility needed to pursue their distinctive designs and methods.

Our dominant impression in this area is that, contrary to what critics allege, most charter laws still make it needlessly difficult to launch viable charter schools. And for those that do get launched, far from being handed a bucket of public funds to do whatever they like with little or no accountability (as critics also allege), charter schools in most states continue to be burdened by myriad rules and procedures. Their tiny management staffs are oppressed by these regulations. Lacking the freedom to do things as they think best, charter schools are often forced to resemble the conventional schools they were meant as alternatives to. Thus, in addition to "Potemkin laws" that display the facade but not the reality of charter legislation, we have encountered "Potemkin schools," places that bear the "charter" label but enjoy little true autonomy.

We knew that the tactics we'd have to use to start this charter school would have to be very aggressive, very in-your-face.

California African-American charter school founder

Many of these restrictions are responses to political pressure from partisans of the education status quo, such as state and local school boards, unions, and community groups. Policymakers frequently compromise on autonomy issues to gain favor with or reduce resistance from such groups. Sometimes they compromise so far as to give the impression that they support the charter concept when, in reality, the charter law will cause all such schools to miscarry or be born with grave defects. Of course, that is fine with the opponents whose pressure led to the compromise.

Excessive restrictions on the chartering process or on the schools themselves go beyond minimum health, safety, and nondiscrimination provisions. Here we

describe three varieties: burdens imposed by charter laws that constrict those founding schools; unanticipated laws and regulations that seemingly "pop out of nowhere" to burden those running charter schools; and hassles that schools encounter after their charters have been issued.

Not everyone who is a principal can run a school with all the autonomy we have. I'm not bragging. That's just a fact. We aren't trained to do it that way.

California principal

Statutory Limits

Some explicit restrictions that make it difficult to establish a charter school are found in the charter laws themselves, presumably because legislators were persuaded to place them there. Examples include capping the number of charter schools that can exist; restricting charter issuance to local school boards; confining charter eligibility to specific groups such as teachers; excluding profit-seeking companies; and retaining education code provisions that tend to force charters into the uniform public-school mold. Here we present several illustrations. (Our analysis at the beginning of section 4 on "State Charter Policies" and discussion in Appendix A provide more details on how these issues are dealt with in our seven sample states.)

Massachusetts—generally considered to have a strong law—is a good example of how a tight statutory limit of 25 charters (in a state with eighteen-hundred public schools) has cramped what would otherwise be a booming program. Since 1994, the state's Executive Office of Education has received 123 charter applications, including 23 in the 1995-96 application cycle. All the permissible 25 charters have been issued, and 6 more applicants have been approved pending legislative action to lift the cap. Such an amendment was introduced in 1996, but intense union opposition prevented its enactment.

We reached a stalemate on how we were going to run the school; we had a utopian belief that we could all be one happy family. But there was no clear definition of roles. We really had no sense of the how-to of governing a school.

California teacher and member of governance group

California's charter law, though moderately strong, creates several acute problems for charter applicants and operators. (See our California case study on pages 89-93 for more details on the Golden State's law.) A vivid example is the charter approval process, which is entrusted to local school boards. Without alternative sponsors to turn to, charter seekers are placed in a tough situation. If they want a charter, they must do what the local board requires. Yet the local board is ordinarily the source of whatever problem led people in that community to want to create a charter school in the first place. Although California school boards have often been willing to grant program autonomy to charter schools—we sense that they view them much like "magnet" schools—rare is the board that has agreed to cede full *fiscal* autonomy. As the report on California charter schools from the state's "Little Hoover Commission" says, "Even the charter schools that have won the most fiscal autonomy from their district–Vaughn and Fenton [the latter is in our sample]—complain about not having complete control of funding and having to argue with [the Los Angeles Unified] district to win their share of all funding sources."

In addition to constricting fiscal autonomy, some California districts limit the schools' program autonomy. For example, they require charter schools to comply with district calendars, use district maintenance crews, and, most burdensome of all, to be bound by district collective bargaining agreements.

California charter applications are further complicated by the cumbersome appeals process written into the statute. An appeals panel named by the county board of education may review requests from a rejected applicant. If, in its judgment, the situation warrants, it can order the local board to review the application again. Only after the local board rejects the application a second time can the county school board grant a charter. Only once has this process been used successfully.

These statutory limits can frustrate or block a charter application and restrict the schools' flexibility, especially in fiscal matters. If the charter school movement is to lead to new and different types of independent public schools that truly swap red tape for results, we believe that charter laws must stick to minimum health, safety, and civil rights requirements so as to maximize the schools' autonomy.

Though we've had a well-intentioned group of parents and staff, no one ever anticipated how much work this would be. We've had a lot of enthusiasm but we've come up short on fortitude.

California parent and board member

Onerous Oversights

Other restrictions on charter schools resemble stealth bombers: at first, they don't show up on the radar screen. Even in states with strong charter laws, schools sometimes turn out to be subject to incapacitating rules and procedures because no one thought about them beforehand or someone arbitrarily decided that they applied to charter schools despite authoritative protests to the contrary. These are typically requirements or restrictions built into other statutes.

For example, charter schools must often hew to elaborate public-sector procurement and accounting systems designed for much larger entities. Even in freewheeling Arizona, charter schools must handle all their finances in conformity with the state's detailed Uniform System of Financial Records (though amendments in 1996 eased this somewhat).

Even health, safety, and building regulations sometimes go farther than necessary. In Boston, a nurse employed by a charter school recounted that she was told at several meetings she attended (sponsored by local public health officials for public school nurses) that the charter school was expected to follow the state health regulations that pertain to *private* schools. In California, one charter school had to spend more than $10,000 for construction permits and other inspections that school officials knew were often discreetly ignored or waived for public schools. In Arizona, there is widespread suspicion that the state Fire Marshall goes out of his way to make life more difficult when inspecting charter schools than for "regular" public schools. And there is reason to think that the City of Phoenix has thrown costly impediments into the paths of charter schools that needed zoning modifications and building permits.

Starting this school reminded me a lot of starting my own business. A lot of time went into mundane things. I underestimated the amount of time I'd need to devote to things like furniture and computers and supplies.

Massachusetts founder

Bureaucrats disposed to strangle innovations with red tape are particularly good at discovering and exploiting such stealth regulations. For example, we saw a one-hundred page document produced by Massachusetts's State Department of Education labeled *Public School Regulations that Apply to Charter Schools.*

California's Little Hoover Commission documented two egregious examples of that state's Education Department interpreting laws in ways that differed from policymakers' intentions—to the disadvantage of charter schools. One involved a school in our sample: HIS Charter School in Lincoln. Both the State Attorney General and former state senator Gary Hart, legislative author of California's charter law, disagreed with the Department's narrow interpretation that a provision in state law would not allow HIS to provide its students with materials and other "things of value" (e.g., computers) that were necessary for aspects of its on-line and home-school programs unless similar services and materials were provided to all students in the school district. The situation has now been resolved in the school's favor, but the two-year process included threats that the district would have to reimburse the state for all funding received for HIS students, the effect of which would have been district bankruptcy. Also

exacerbating the situation were repeated refusals by state officials to answer HIS questions in writing, claiming that it was not the state's responsibility to give a laundry list of what the school could and could not do. A further injury was the temporary revocation of the HIS charter by the local board, followed by reinstatement after the board learned that a local district official had withheld (from the board) information pertinent to the HIS case.

I reached the point where I decided there just wasn't any good reason not to get involved in what I was sure would be the adventure of a lifetime. I haven't been disappointed.

Principal who left previous job to head a charter school

These stealthy restrictions can undermine charter schools' efforts to be innovative and autonomous at least as seriously as explicit limits written into the charter statute itself. Because the ways of the bureaucracy usually prove eternal, we fear that more of these hurdles will be placed in the path of charter schools as they seek to use the fiscal and programmatic independence their charters supposedly granted them.

Local Politics

Even after a school receives its charter, it can encounter further problems from its local sponsor (if it received approval from a district board), its own governing board, community groups, and other external agents.

One such problem often arises in districts that see charter schools as revenue producers. Generally, the moneys going to the district for various "services" it provides (or requires the charter school to purchase) are written into the charter itself. But we have come across examples of "add-on" fiscal agreements that cause friction between charter schools and sponsoring districts.

For example, 10 percent of "average daily attendance" funding for Choice 2000—one of California's "on-line" charter schools that draws students from across the state—is retained by the district for indirect costs such as payroll processing. Choice 2000 also has to lease space from the district at $1,700 per month. These provisions were part of the original charter agreement.

We didn't want a regular principal, because we knew such a person would bring conventional education ideas, attitudes, and assumptions with him.

Colorado school founder and board member

This past year, the district "requested" an additional 10 percent to assist it during a fiscal crisis, with one district official commenting to us that "this crisis could be with us for a while." Furthermore, an "optional" 5 percent charge is to be paid to the district for staff training and the purchase of technical equipment if this money is available in the Choice 2000 budget. When all this is added up, Choice 2000 finds itself paying the district 25 percent of its revenues, plus rent.

This has soured what began as a good relationship between district and school, whose founder was encouraged by the former district superintendent to start the school in the first place. One member of the school's governance board commented to us, "I'm damn mad at this creeping takeover of our budget by the district. It all comes down to a matter of control. That's the problem with every school board. It wants to control what the schools do, even after it said we could control ourselves."

Historically, of course, this command-and-control mindset arises from a view of school boards as sole providers of public education in their communities. Many board members cannot yet conceive of any alternative to a government agency—the school board and superintendent; that is, themselves—owning and running all public schools.

Nonetheless, a few local board members with whom we spoke are starting to change, to view public schools in different ways. They are beginning to consider the possibility that a public school need not be operated directly by them. They are figuring out that a public school is one that serves the public;

meets fundamental health, safety, and nondiscrimination requirements; and is accountable to the public for its results. In this context, the school board's job is to ensure that the public has the broadest range of choices available to it and that every child has a school to attend.

School boards are not the only source of hassles. We also watched an established community organization deal with an upstart cadre of minority educators and parents who wanted to start a charter school in that community. Initially, the older group thought well of the upstarts. But after the charter was awarded and time wore on, the older group came to see the new one as a threat to its own influence and prestige. It became involved in an effort to discredit the upstarts. Community friction followed, and the relationship between the two groups has remained tense. This experience has led many in the upstart group to be, as one parent told us, "fed up with how the unions and more traditional so-called civil rights organizations rub each other's back, pick each other's pocket and ours—all the while ignoring the fact that our kids are not even learning the basics. That's just got to stop."

Governance and Staffing

Two state charter coordinators in our sample recently told us that governance issues pose the gravest threat to their schools during the coming year. We tend to agree. Although serious governance problems during the schools' first year or two were not widespread in our sample, those that did develop posed worrisome threats to the schools' continued viability.

Three of our thirty-five schools had grounds for what we judge to be serious concern in the governance area, and another ten had less pressing concerns. Is this cup 40 percent empty or 60 percent full? We would say both. It is remarkable that three-fifths of these schools remained healthy in an area so ripe for illness. At the same time, it is worrisome that two out of five caught some ailment—in most cases just a cold or flu. And for the one in ten that found itself battling the governance equivalent of double pneumonia, the ailment could be life-threatening.

The typical governance problem encountered in our research stemmed from conflict between board and staff; some involved a disagreement of board and teachers against administrators, and in one or two instances the board and administration were aligned against the teachers and parents. Sometimes the parents split into factions. Sometimes the staff did. Whatever the cause, perhaps the most common "symptom" of a governance problem—experienced by at least five of the schools in our sample—is the rather abrupt replacement of the principal or another top administrator during the school's first year or two.

"Conflict" is not always the reason for turnover at the top. Successfully leading a charter school is arduous. It calls for an uncommon blend of educational vision, administrative acumen, business savvy, political sophistication, and public-relations adroitness. One cannot assume that the first person to head a charter school will possess all those attributes or be the best to lead the school after start-up. Moreover, leading a charter school is exhausting, and the strong personalities typically involved in a school's creation do not always mesh as well once the institution is up and running (and grappling with different issues) as they did during the planning-and-politicking phase. We visited one school (not in our sample) where board members decided to replace

This is a truly teacher-run school with teaching and learning being the highest priorities. I get six prep periods per week, plus one-half day a month. There is a part-time on-site staff developer; a duty-free lunch period; and $50 a month for teaching supplies. All of this support allows me to really focus on teaching and meeting the needs of my students. Yet we receive less money than surrounding schools. If we can do this, why can't they?

Michigan teacher

I'm too radical for conventional schools.

Colorado teacher

the principal after the first year because "he had all the skills we needed for starting a school from scratch but [was not] that interested in working on some of the longer-term issues that relate to the specialized curriculum and approach we want to develop." The outgoing principal actually agreed with that evaluation.

A lot of kids come here for the individualized attention, including kids with IEPs, kids who in other districts would have IEPs, and some academically gifted youngsters with social needs.

Arizona teacher

Indeed, some of the most successful schools do not expect a single individual to possess these capabilities; they spread responsibilities across a leadership team that may include teachers, parents, and board members as well as a couple of administrators. For instance, one California school in our sample has structured its leadership team around two strong and capable individuals—an executive director who handles the business affairs and a director of instruction who handles all instructional matters. (A Colorado charter in our sample has done almost the same thing.) It is not that the executive director knows nothing about instructional issues or vice-versa; the school's budget of nearly five million dollars and its significant fiscal and curricular autonomy demand this division of labor.

For these reasons and more, some charter schools experience front-office personnel changes. Yet at least as much executive turnover might be expected in any group of thirty-five new organizations or small businesses during their first year or two of operation. And although we do not minimize the traumatic nature of abrupt changes at the top, it can also be said that charter schools' ability to make and survive such changes attests to their freedom, their flexibility, and their responsiveness to problems rather than—as happens too often in conventional schools—a willingness to endure or rationalize them, to shun complaints and ignore conflicts. Several schools may have had pneumonia, but none perished.

Do you know there are no dropouts at this school in the two years it's been open? Do you know there's no violence at this school, no gangs, no rows, . . . none of that? These kids sense that people here mean business and give a shit about them.

California charter board member

The composition of a school's governing body can also pose problems. Most state charter-school laws do not dictate a board's membership (or even that a board must exist), but simply state that whatever governance-and-management structure the organizers decide on must be specified (and agreed to) in the school's charter. Two states, however, do prescribe by law the composition of charter boards—and they offer an interesting contrast. In Minnesota, the majority of a charter school's board must be teachers working within that school. Teachers, therefore, find themselves deciding their own compensation packages and all other key management decisions. In Michigan, just the opposite is true: state law forbids any charter school employee from serving on the board. This produces charter boards that more closely resemble traditional school boards, full of community representatives and parents. Often a "we vs. them" situation ensues between management and staff.

We cannot say which of these two governance approaches is best, except to note that each yields its own dynamics. In Minnesota, teachers are afforded the ultimate level of professionalism—to govern themselves. Several Minnesota teachers, however, observed to us that, grand as this is in theory, wearing two hats (as teacher and governing board member) is often difficult. People wonder about conflicts of interest. In Michigan, by contrast, the more traditional board structure could induce teachers to join a union to increase their voice in decisions. In other charter states, various blends of these two extremes can be seen. Further examination of this governance issue is slated for year two of our study.

Staffing Issues

Staffing problems—especially among teachers—are somewhat more widespread than governance woes. We estimate that 43 percent of the schools in our sample have experienced such problems, although in no case have these posed significant threats to a school's viability. And never has the problem been a general shortage of eager and capable applicants for teaching and other professional positions, not even when (as is the case with slightly more than half the schools in our sample) the charter's salary scale is somewhat below that of nearby public schools.

On the contrary: most schools we visited were deluged by people wanting to teach in them. We cannot discern whether this phenomenon attests to the general oversupply of teaching candidates in most subjects and regions of the U.S. or to the particular appeal of these charter schools. Our impression from interviewing a number of teachers, is that both factors are at work. Some people simply need jobs and will accept almost anything available. Nonetheless, an important part of charter schools' attraction is that they have well-defined and distinctive programs that many serious professionals want to be part of; that a teacher can count on having colleagues who share a dedication to their particular school's approach or philosophy; and that a teacher can also expect to have students who were attracted—or at least whose parents were drawn—to that approach and who are more or less willingly attending this particular school. For many American teachers those are strong inducements.

Of course there were occasional shortages of good candidates for particular openings, but we tended to find these either in fields that have been experiencing nationwide shortages (e.g., special education) or in charter schools located in remote, rural communities.

The schools in our sample employed approximately 550 people in (full- or part-time) teaching positions in the spring of 1996. Here is what we learned from the schools about where those people came from, that is, what they were doing before their charter employment (also see table 4, next page):

- 54 percent were teaching in other public schools.
- 9 percent were teaching in private schools.
- 1 percent were home-teaching.
- 21 percent were studying or practice-teaching and came to the charter job fresh from college or graduate school.
- 4 percent were former teachers returning to the profession.
- 12 percent came from other fields such as business, higher education, and child-rearing.

Of the schools in our sample, 37 percent were obliged by law or charter agreement to hire certified teachers. (This varies hugely by state; such rules apply to all Wisconsin, Minnesota, and Michigan charter schools but few others.) Of our sample schools, 53 percent were not required to employ certified personnel but opted to do so most of the time. Only 10 percent of the schools hired predominantly uncertified people as teachers, typically for what appeared to be sound reasons such as a highly unconventional staff and salary structure inherent in the basic school design.

In 72 percent of the schools in our sample, staff members were employees of the charter school itself. In the remaining 28 percent, either the teachers remained employees of the local district or the charter school worked out some

The bottom line for us is not rules and regulations but whether charter schools are improving the reading, the writing, the math, the academics that our kids need to learn to live and work in this new world.

California African-American community leader

Most of my fellow teacher graduates are jealous that I am able to work in a charter school They wish there were more of them around.

Minnesota teacher

other kind of contractual arrangement for their services.

Virtually all schools reported having control over hiring and salary decisions, although in California and Wisconsin (and occasionally elsewhere) the bargaining, politicking, and compromising that preceded the granting of the charter usually led to clear prior understandings about who would be employed and how much they would be paid (often at the district-wide or union-contract rate). In such cases the charter school's leaders have the appearance but not the reality of autonomy with respect to staffing.

As for pay, 30 percent of the charter schools in our sample had 1995-96 salary levels that were generally lower than those of conventional public schools in the vicinity, whereas 4 percent paid significantly more. The salaries in the

Table 4
Participating Charter Schools: Where Do the Staff Come From?*

State	Student Total	Previous Employment (immediately prior to charter school)					
		Public School	Private School	Home Teaching	Recent Graduate	Returning to Profession	Other**
AZ (5 of 5 schs)	89	58 65%	4 4%	0	11 12%	0	16 18%
CA (7 of 8 schs)	141	93 66%	6 4%	1 1%	35 25%	0	6 4%
CO (5 of 5 schs)	81	51 63%	9 11%	1 1%	11 14%	6 7%	3 4%
MA (5 of 5 schs)	98	35 36%	11 11%	0	21 21%	3 3%	28 28%
MI (5 of 5 schs)	78	28 36%	13 17%	1 1%	22 28%	7 9%	7 9%
MN (5 of 5 schs)	43	24 56%	3 7%	0	10 23%	2 5%	4 9%
WI (2 of 2 schs)	10	5 50%	1 10%	0	2 20%	2 20%	0
Total (34 of 35 schs)	540	294 54%	47 9%	3 1%	112 21%	20 4%	64 12%

*Not all percentages equal 100, due to rounding.
**Higher education, business, etc.

Note: The reader is cautioned not to overinterpret these state-specific data; the schools visited in each state may not accurately reflect that state's charter population. The national totals, however, can be regarded as reliable.

largest group of schools—43 percent of our sample—were generally competitive with (or perforce identical to) those in the local public schools. The remaining 23 percent were competitive for new or beginning teachers but planned to pay less to experienced staff members than the local public schools

pay. (This approach could, of course, pose a problem as charter schools grow older and more of their teachers become veterans.)

The staffing "problems" we most often encountered seemed typical of start-up organizations during their early phase: achieving a comfortable fit between the enterprise's needs and the interests and talents of particular individuals. Some teachers left within a few weeks or months because they concluded that the school was not quite what they had hoped or expected, or their role did not turn out exactly as described. And some had to be let go because school leaders concluded they had erred, supposing a person to possess abilities or traits he or she did not turn out to have. (In one or two cases, the separation was for other, graver reasons of personality, character, or behavior.)

We do not find this turnover worrisome, nor did the schools seem very troubled by it. In any employee population exceeding five-hundred persons, there are bound to be some mismatches and a predictable array of illnesses, personal problems, and just plain mistakes. This is especially true in new organizations which frequently find themselves (a) hiring their initial staffs in considerable haste, (b) needing people with rather specific backgrounds or philosophies and, (c) not being well financed or, in many cases, well organized with respect to personnel systems, salaries, benefits, and the like. Indeed, it is a tribute to most charter schools' control over personnel that when they identify a mistake they can move swiftly to correct it.

In the main, we found that charter teachers work extremely hard (including extra hours and days) for salaries that seldom exceed and are often below those of other schools. They perform a great many tasks not found in the job descriptions of conventional teachers and often have to improvise curriculum, materials, and instructional methods.

Not all staffing issues involve teachers. Some schools had trouble making suitable arrangements for cleaning services, maintenance, building security, food services, and other specialized services (including aspects of special education, physical education, and the like). Some charter schools have deployed their personnel in very different ways than conventional schools. Again, however, these mostly struck us as typical start-up problems, irksome and sometimes very frustrating but ultimately manageable.

Freedom and flexibility regarding personnel (along with the fact that students are there by choice) may be the single greatest asset of a charter school and the most significant factor in the school's capacity to succeed. It is also a key variable distinguishing "strong" charter laws from "weak" ones.

True personnel flexibility has three crucial elements: a school's freedom to hire the people it wants, without regard to certification, seniority, and other conventional constraints; the right to fix salaries and terms of employment as it sees fit (and can afford); and of course the authority to dismiss ill-suited employees.

Not all the states in our sample cede all three freedoms to their charter schools. Some schools must, in effect, agree to certain personnel arrangements as a condition of obtaining charter approval. We found this particularly common in California, where charters must be approved by local boards, some of which view charter requests as the equivalent of an attack on Fort Sumter and some of which face heavy union pressure to impose on the proposed charter school all the terms of the bargaining agreement. In Wisconsin, charter schools must, by law, remain instrumentalities of the local board (except in Milwaukee), and

These [charters] are real competitive schools and though they may not need a building constructed from scratch, they do need an adequate facility.

Massachusetts policymaker

We couldn't maintain our ratios if we paid as much as they do.

Colorado teacher

Within most traditional public schools, there is still a core of teachers who "teach school." At this charter school, all of the teachers "teach students."

Wisconsin teacher

The parents tried to take over. . . . It was a nasty little thing.

Colorado charter board member

therefore the employees of such schools are deemed district employees. In Colorado, the state law is permissive but local school boards less so when issuing charters.

Overall, we were strongly and positively impressed by the talent, commitment, and energy of the teachers (and other staff) in our sample schools. Many of these men and women brought to their work all the zeal, zest, savvy, knowledge, and attitude toward children we would like to see, but do not often find, in conventional schools. We found a lot of horsepower under the charter schools' hood. We also found some teachers (and principals) with unconventional, even exotic backgrounds and previous experiences. Often, however, we found that the hood itself looked familiar. In terms of formal training, credentials, and previous experience, many charter teachers closely resemble their counterparts in conventional schools. The main difference is that they are motivated to do something different—and venturesome enough to act on that motivation.

The future staffing challenge for charter schools is not, we think, the availability of people to fill jobs in the first instance. As a combination of heavy teacher retirements and bulging school enrollments increases the demand for teachers, the question for charter schools will be whether their heavy workloads and relatively low salaries keep them from retaining the extraordinary people who now beat paths to their doors.

Dilemmas Faced by Policymakers

IV

State Charter Policies

Bierlein and others have written much on *stronger* and *weaker* charter laws. The distinction is based on evidence that certain policy components are apt to encourage creation of more charter schools. These schools in turn are likely to challenge the educational status quo and produce broader student impacts. Where many of those components are present, we speak of stronger charter laws. Where many are absent, we term the law weaker. Hence it is noteworthy that, as of December 1995, 222 charter schools were operating in the six initial charter states with stronger laws, yet only fourteen existed within the initial five states that had weaker laws.

In our sample, six of the seven states have "stronger" laws, the seventh (Wisconsin) a "weaker" law. Even within stronger-law states, however, much variation occurs. Table 5 depicts ten policy components we (and others) deem especially favorable to the establishment and growth of charter schools. Only one state in our sample (Arizona)—and in the nation—has a fairly pure version of all ten components. (Note: Earlier versions of this table contained only the first seven components and employed a yes/no rating scale. Based upon our findings, three additional components have been added and a value assigned to each.)

Let us briefly review the components to show why each is important to a supportive charter school policy environment.

Nonlocal Sponsorship and Strong Appeals Process

Our year in the field confirms that a nonlocal sponsorship option is the single most important element of a strong charter program; without it, very little happens. We have found many local school boards reluctant to sponsor charter schools for fear of serious competition. Often a board will attach burdensome contingencies to the charter as a condition of approval, thus restricting the school's autonomy and limiting its success. This ought not surprise anyone; it is a well-known fact that local boards and administrators are pressured to maintain the status quo.

Within our seven-state sample, three states offer a viable nonlocal board sponsorship option (Arizona, Michigan, and Massachusetts), and those three rank among the most dynamic in terms of charter school growth and diversity. The overwhelming majority of the fifteen schools in our sample from these three states asserted that they would not exist in anything like their present form had they been forced to seek local board sponsorship. Many of them offer an education program attractive to the general population, rather than a niche for students whom regular public schools have dubbed ineducable. In that sense, these schools are viewed as "competition" for those regular schools.

Schools in three of our states (Minnesota, California, and Colorado) are required to seek sponsorship from their local boards but may seek relief through an appeals process. (Minnesota also allows up to three charter schools to be sponsored by higher education institutions.) Even with such a process in place,

Wisconsin's version of charter schools does not produce enough pressure to change anything within the rest of the system–it doesn't make anyone feel uncomfortable.

Wisconsin charter school business partner

Table 5
Rating of Key Charter School State Policies*

Policy Component	AZ	MI	MA	MN	CA	CO	WI
1) Non-local board sponsor available OR appeal process exists	2	2	2	1	2	1	1
2) Any individual or group can attempt to organize a chater proposal	2	2	2	2	1	2	1
3) Automatic exemptions from many state laws/rules & local policies	2			2	2		1
4) Fiscal Autonomy - school has control over funds generated by student count (including salaries)	2	2	2	2	1	1	
5) Legal Autonomy (e.g., teachers are employees of school, not local district) OR charter (not law) determines autonomy level	2	2	2	2	2	1	
6) No (or very high) limits on number of charter schools (compared to total population)	2	2				2	2
7) Non-certified individuals can teach at charter school (w/out a waiver or alt. certification)	2	1	2		2		
8) Start-up grant funds available through the state	2	1	2	1	1	1	
9) Existing nonsectarian private schools can convert to charter schools	2	2		2			
10) On-going private and/or state-funded technical assistance available	2	2	2		1	2	1
Policy Component Rating Total	20	16	14	14	11	10	5

* Ratings: 2 = almost "pure" component exists; 1 = component exists to some degree; blank = lack of key component. A rating of "1" is briefly explained below for each state.

Michigan: certification is required except in university-sponsored schools wherein higher education faculty can teach; and only a small amount of federal charter school funding is available for start-up grants.

Minnesota: as a non-local board sponsorship option, universities are allowed to sponsor three schools total for the state; and only a small amount of federal charter school funding is available for start-up grants.

California: appeals process involves multiple entities and is lengthy; individuals initiating a charter proposal must obtain approval from at least 10% of teachers within district or 50% within a given school (even for new start-ups); charter schools are allowed by law to be legally and fiscally autonomous, but funds still flow through a given district; only a small amount of federal charter school funding is available for start-up grants/loans; and several private organizations provide some technical assistance, but state-wide support is not available.

Colorado: the appeals process to the state board is nonbinding upon the district; legally, charter schools are to remain a part of the local school and to receive at least 80% of their funds, although many are operating quite autonomously; and only a small amount of federal charter school funding is available for start-up grants.

Wisconsin: individuals initiating a charter proposal must obtain approval from at least 10% of teachers within district or 50% within a given school (even for new start-ups); charter schools are exempt from state laws and rules, not local board policies; and a state network for charter schools has only recently been formed. Charter schools in Milwaukee may now become legally and financially autonomous, appeal to the state, and be formed from an existing private school (since these latter provisions only impact certain charter schools, no points were given).

we found many examples wherein troublesome conditions of approval menaced these schools. We were also told of much energy expended on the politics preceding approval—which meant that much less energy devoted to educating children.

One Minnesota school, for example, was obliged to develop a financial plan that would, in effect, fund the school via revenues from out-of-district students. Its sponsoring district kept all money received on behalf of the school's district students. (Some in-kind services were provided by the district.) When this "deal" was cut, Minnesota had no appeals process and the school had no alternative to these terms. Another Minnesota school spent two years fighting with its local board until the appeals option became available. People associated with that school acknowledge that their education program would be stronger had this energy been channeled into curriculum and instruction. Several schools in Colorado and California accepted significantly less than 100 percent of local per-pupil funding as a condition of approval. Master contracts for teachers and district salary schedules are often written into the terms of charter approval. The reality (or threat) of an appeals process provides some leverage for the schools (and has ultimately helped some schools obtain approval), but local boards still have the upper hand in the charter negotiations process. One Colorado school, for example, was grudgingly given a one-year charter after its appeal to the state—and that charter's renewal hung in the balance until a few weeks ago.

The nature of the appeals process is important, too. In Minnesota, the state board may grant a charter directly to a school, whereas in Colorado the state board can only advise a local board to grant one. That situation has led to a lawsuit brought by the Denver Public Schools and an immense amount of ongoing conflict. California's intricate appeals process is time-consuming and has only once been successfully applied.

Overall, we found that a nonlocal sponsorship option offers the most supportive policy environment for charter schools. It means less time wasted on politics and more energy for creating a solid education program. Less satisfactory, but still viable, is a clear and speedy appeals process in which the appellate entity is authorized to grant the charter directly. Not much happens when neither component exists, save in those few districts well-disposed toward charter schools.

Freedom to Organize a Charter

The second—and almost equally important—key policy decision specifies parties who may organize and operate a charter school. Some contend that only educators should be granted this opportunity. Others insist that fostering serious reform requires creative energies from outside the traditional system. People in the latter camp also note that adequate protections exist if charters can be revoked when those holding them fail to deliver outcomes as promised (or violate any of the student protections or fiscal norms that are found in every charter law).

Each state in our sample allows virtually any individual or group to submit a charter school proposal. That privilege does not guarantee acceptance, but we have found that allowing both educators and noneducators this opportunity is a wise policy decision.

We know of a school in Wisconsin started primarily by one parent (with significant district support), that would not exist without this provision. In this

The current law still allows the teachers' union to have too much control over the local board. The type of [charter] schools being formed under our current law are not putting enough pressure on the entire system to change. Instead, they are being viewed as a "relief valve" for various groups of parents on the edges. To this end, charter schools are being viewed as an extra "program" which is taking money away from the rest of the system, rather than as an integral part of a system committed to diversity and choice.

Wisconsin school board member

instance, the district had spent several months seeking educators within the school system to start a charter school. Lack of funding for "release time" or stipends for teachers, and negative peer pressure from the professional staff, had yielded no takers. Then a local newspaper advertisement energized an interested parent—and hundreds of hours of volunteer effort brought forth a charter school. Seven other schools in our sample were started by parents acting largely on their own, and four were started exclusively by others such as a boys-and-girls club and a state-initiated job-readiness program. Most of these schools would not exist if their state's charter laws had allowed only educators to submit a proposal.

Even where anyone may file a charter proposal, other requirements can affect the ability of outside groups to gain approval for such proposals. In California, for example, charter applicants must obtain the signatures of at least 10 percent of the district's teachers or half the teachers within a given school. These conditions may be reasonable for functioning public schools wishing to convert to charter status, but we can see no valid rationale for applying them to start-up schools. Indeed, several schools in our sample found it difficult to obtain these signatures even for teacher-developed proposals. When noneducators try their hand at the name-collecting game, the difficulties mount. Sadly, the number of signatures acquired also does nothing to ensure the quality of a charter school; it simply fulfills the political signoff. Policymakers should remember that charter schools are best managed through the terms of their contracts (and the results they promise) rather than by limiting who can develop a proposal.

Now that we have a meaningful appeals process on the books, we are hopeful that we will be in a better position to negotiate with the district board when our charter is up for renewal next year.

Minnesota charter school teacher

Elimination of most state laws and rules governing conventional schools is a central feature of the charter concept. A focus on results is supposed to replace the traditional focus on inputs and procedural compliance. Many policymakers, however, find it difficult to accept this swap when their favorite law is up for waiver. Some find it unfair that charter schools benefit from such freedom when "regular" schools do not. (Where, however, are the contracts stipulating results for the regular schools?) Others fail to realize that provisions such as "following all state health and safety codes" may result in snarling charter schools in more laws than existing schools. Given charter schools' universal need for focus on educational results, notwithstanding the fact that nearly every charter school receives less funding than its district counterparts, regulatory relief is a vital issue.

Four states (Arizona, California, Minnesota, Wisconsin) within our sample offer automatic exemptions from most state laws and rules, although one (Wisconsin) requires adherence to local board policies. Our interviewees repeatedly confirmed that having these exemptions up front (rather than being forced to seek waivers case-by-case) was invaluable in inspiring a "we can do anything to help these students" attitude, and removing real regulatory barriers. (Sometimes the longstanding belief that "we can't do anything without permission," rather than the law itself, is the primary impediment to change.)

Two other states in our sample (Massachusetts and Colorado) require charter schools to seek waivers from laws and regulations, but this process is facilitated by generally supportive state officials. Our impression is that when schools know that obstructive laws will be waived, their eagerness for innovation is encouraged. The absence of automatic or blanket waivers is not necessarily an insuperable barrier, but we stress that this happy situation depends entirely

on the people who are granting the waivers, rather than the underlying policy. In the seventh state (Michigan), the question of which laws apply to charter schools remains unclear. The law in this area contains contradictory language which the state Department of Education (as well as many others) interprets as stating that all existing education laws apply to charter schools unless specifically exempted within the charter law. Several schools within our sample were started before this interpretation, and they say that they are now being drowned in compliance-related paperwork.

Ultimately, we find that automatic exemptions from state laws and rules, and the streamlining of compliance-related paperwork (especially in those states where laws remain in place), are necessary preconditions for innovative charter schools to flourish. A waiver process may yield an acceptable political compromise *if* the state bureaucracy is supportive.

It's not so much complying with state laws and rules which is difficult, it is the hundreds of reports which we must complete to prove that we are in compliance.
Michigan school director

Fiscal and Legal Autonomy

A school's ability to make essential decisions for itself is the essence of charterdom. Place significant constraints on that autonomy and we retain only the form, without the reality, of a charter school

During the past year, we repeatedly heard that full command of instructional, personnel, and financial decisions is essential to the success of charter schools. In four of our states (Arizona, Michigan, Massachusetts, and Minnesota), such authority is automatically granted by law, and per-pupil funding flows directly from state to school. In California, legal and fiscal independence is allowed by law, but its terms must be negotiated with the local district. In Colorado and Wisconsin, charter schools remain legal entities of their districts, and their functional independence is determined through negotiations. These disparate policy contexts produce differing dynamics.

Where the law grants every charter school full legal and fiscal independence, the issue vanishes from the negotiation process and allows time and energy to be directed elsewhere—toward creating a sound education program and identifying an excellent staff, for example. As a result, many of the twenty charter schools in our sample that received automatic autonomy and independence have developed creative management and personnel structures. On the other hand, most of these schools have thin or no relations with their local districts (even where the district serves as their sponsor). This circumstance may limit their ability to produce ripple effects in the community.

Where autonomy is not automatic, it can be requested (and negotiated). Theoretically, and sometimes practically, the opportunity to specify and request the desired level of independence creates options. We know of several conversion schools that initially wanted to control only their instructional programs—and are gradually seeking control in other areas. They probably would not have become charter schools if they had been obliged to manage everything at once. On the other hand, we also know of charter groups that sought high levels of fiscal and legal autonomy and were turned down by their local boards. In many of these cases, the charter petitioner relinquished significant autonomy to gain approval—and now finds itself crushed under a pile of confining district regulations and collective bargaining restrictions.

We conclude that charter schools need a great deal of legal and fiscal (as well as educational) autonomy if they are to be held accountable for results. Ideally, the degree of autonomy they obtain should be of their own choosing (especially

for conversion schools with preexisting staff). But having to negotiate these elements with the local district seldom worked to the charter school's advantage, especially where no decent appeals process or alternate sponsor was available. Granting full legal and fiscal autonomy by law appears to be the best policy.

Freedom to dream and not be constrained by laws and rules which may or may not be in the way—this is one joy of working at this charter school.

Minnesota teacher

No (or Very High) Limits on Allowable Charter Schools

How many charter schools should a state allow? This is more a political decision than an educational policy issue. We found that, in states that have relatively strong laws regarding the charter schools that do develop, charter supporters must sometimes trade numbers for freedom. Opponents argue that charter schools are experimental and students might suffer. (Less frequently noted is that this fate already befalls many youngsters in conventional public schools.) Arbitrary limits are set, with the comment that they can be increased at some later date if the initial schools are successful. This sounds fine at the beginning, but events prove otherwise.

California, for example, reached its statutory limit of 100 charter schools during late 1995, and numerous bills have been introduced to lift the cap. (In practice, the state board of education is using its waiver authority to allow additional schools). Opponents insist that there has not been sufficient research to determine the schools' success, despite a fairly comprehensive review by the Little Hoover Commission that yielded findings in overwhelming support of charter schools. The legislature has yet to raise the cap. Massachusetts has also reached its limit (just twenty-five schools), and efforts to lift the state's cap have failed in the legislature. On the other hand, in 1996 the Colorado legislature agreed to raise that state's cap from fifty to sixty schools, and Minnesota has gone from eight to forty.

If politics require that some cap be established, policymakers should consider the following: limiting the number of schools created per year (or in each of the first few years), allowing automatic cumulative increases, or abolishing the cap altogether at some predetermined point. Arizona, for example, allows each of two state boards to approve up to twenty-five schools per year (and has no limit on district-granted charters), and in Colorado the cap will vanish in 1997. We also caution policymakers not to fall into the trap of allowing "no more than one charter per district." Some communities are far more receptive to—and in greater need of—such schools.

Allowing Noncertified People to Teach

Teacher certification is one of the profession's sacred cows. Completion of a prescribed number of pedagogy courses and a student teaching practicum has long been the minimum standard for entry into public school teaching. Often, teachers must also take graduate-level courses to maintain their certification. Such initial and continuing training are customary in other professions, but many feel that education has become too restrictive and that many of the hoops through which teachers and administrators are obliged to jump bear little relevance to their effectiveness as educators.

As schools move from an emphasis on inputs and compliance to a focus on results and client satisfaction, their freedom to hire the best candidates is of paramount importance, regardless of the extent of applicants' formal pedagogical training.

Three states in our sample allow charter schools to hire uncertified

individuals (Arizona, Massachusetts, and California). One state (Colorado) often grants certification waivers (four out of five of our Colorado schools received such waivers). Thus twenty-two schools in our sample were free to hire uncertified teachers. Though nineteen of these schools hired a majority of certified teachers anyway, our interviewees said that their freedom to decide on the issue has proved invaluable.

Based on these findings, we judge that although it may not be essential to eliminate all certification requirements for charter teachers, ensuring these schools substantial personnel flexibility is a serious priority. A sensible rule might state that charter schools can hire up to half their teaching staff from the uncertified ranks. We also note that the size of the pool of job-seeking certified teachers in the state influences the practical effect of the policy. For example, our Michigan and Minnesota charter schools encountered no difficulty securing suitable certified teachers (as required by their state laws).

Start-Up Funds Available

As discussed elsewhere in this report, the lack of start-up funding is one of the main obstacles facing most charter schools. Current laws provide funds only after the school is fully functioning. Before this, however, the school must secure a facility (and bring it up to code) and purchase books and computers. Staff must be hired, trained, and oriented. Among our sample schools, 60 percent reported significant hardship in obtaining start-up support. Of the forty percent that reported no such difficulties, most were in states that initially provided some state or federal funding; the others were preexisting schools converting to charter status.

The recent arrival of some federal charter school funds (received by six of the states in our sample) has provided modest relief, but in most cases it was barely noticeable. Arizona's million-dollar start-up fund was viewed as sincere benevolence from the state, yet proved vastly insufficient for the schools' needs. Michigan's privately-backed loan program was also helpful, but only for schools that had already begun to operate.

No state has yet proposed a serious solution to the start-up funding problem, although there has been extensive discussion in several states. More attention to this matter is warranted. It seems to us that a state-funded, revolving loan program for charter schools represents one of the better ideas thus far.

We must be able to control our own destiny. It is much more difficult, but without this component we will be pulled down by the weight of the district.
Michigan school director

Nonsectarian Private Schools Eligible

We believe there is merit in allowing existing (secular) private schools to become charter schools, though we recognize that this is a hot button to many public educators—including some charter supporters—and a source of alarm to some private educators who fear that their schools will vanish into the public sector.

Operating charter schools must reach a critical mass if this education reform strategy is to receive a full test, and private schools already have valuable facilities, resources, and experience. Three of our states permit private school conversion (Arizona, Michigan, and Colorado), and no serious abuses or concerns have arisen as a result. Students do not encounter discrimination, open meetings are called, and other public protections of charter laws are honored. Most importantly, learning environments that heretofore had been unavailable

to lower-income children are now serving many such students. Indeed, the students eligible for free or reduced-price lunches within the three formerly-private schools in our sample represent 71 percent of their total student body.

It is important to understand that a private school converting to charter status does not simply take its current student body and shift it from private to public funding. The school changes, too, sometimes profoundly. One school in our sample grew from serving 45 students when private to nearly 170 as a charter school. It had long been a beacon of hope and a symbol of success for the African-American community of Detroit, and now it can serve nearly four times as many students. Another is an inner-city school in Denver serving about one-hundred at-risk children, almost all of them black or Hispanic, from preschool through grade 2. Previously the school had served only preschool and kindergarten students.

Evidence from these states confirms that adequate protections for students and the public can be written into charter laws. Policymakers should consider allowing private school conversions in all states.

We must continue to fight for a strong charter school law. If we are going to be held accountable for results, we must not allow the status quo groups to pull us back down.

Michigan charter teacher

Ongoing Technical Assistance Available

There is nothing easy about developing a charter proposal and operating a successful school. Interested educators often lack the necessary business acumen, and parents and other community members often need help developing curricula, assessments, and pedagogy. Almost everyone needs help navigating the political and bureaucratic shoals, both within the local community and at the state level. Policymakers should not leave to chance the possibility that such assistance will become available. Although state funding for technical assistance is not always essential (several of our states have developed strong privately-funded support systems), the need for such help must be recognized. Policymakers should work with the private and public sectors to ensure that assistance is made available.

Our sample provides several different models. In Colorado, a private foundation (in cooperation with the state education department) has provided resources for technical assistance. Nonprofit policy centers in Massachusetts, California, and Arizona are fulfilling this function to some degree. Michigan policymakers appropriated funds to two entities, one a state university, the other a nonprofit policy organization. Within each of these states, there are some cooperative efforts between the public sector (for example, state departments, governors' offices) and private groups, but people in each state note that the need still outweighs the available resources, and some turf issues persist.

We have identified ten key components of a supportive policy environment for charter schools. Only one state in our sample had all ten substantially in place, and it is no coincidence that charter school growth in that state is rapid. There are many positive developments in other states, but one can only imagine the number of additional students whose education would be better if these policy elements were more widespread. It is important to remember that some states outside our sample have the appearance, but not the reality, of charter school programs precisely because their laws provide too few of these components.

Special Education

Critics and opponents of charter schools have often contended that these schools would inevitably fail to serve disabled youngsters effectively, either by turning them away at the door or by neglecting their needs. This gloomy allegation was both a variant of the "creaming" argument (that charter schools would serve only the most fortunate children) and a way of marshaling the unique political clout of special education to slow—if not halt—the charter movement itself.

At one level, this strategy succeeded. By raising political fears that unregulated charter schools would be free to spurn or neglect youngsters with special needs, advocates have generally been able to eliminate special ed from the list of laws and regulations from which charter schools are exempt (or can get waivers). Indeed, we sense that special education (along with closely affiliated civil rights provisions) is the domain in which charter schools have the least freedom and are most obliged to behave like regular schools. Yet some do not, primarily because of (disabled youngsters') parents' preferences. For example, one school in our sample offers all students its "inclusive educational program." There are no tracks or IEPs for anyone, including limited-English and disabled youngsters. During the enrollment process, staff members meet parents and children (together and separately) for an initial assessment of the "special needs" of each child. After the start of the school year—a period intended for adjustment—the school administers several diagnostic and screening instruments to refine its initial evaluations. The school contracts with a part-time, state-certified special education administrator to oversee this process. (She also works under contract with surrounding public school districts.)

This school is like a blessing for us.
Arizona parent

The parents of students who ordinarily would qualify for an IEP are told their rights under state law. Parents are then invited to waive the preparation of a conventional IEP in favor of the school's "student service agreement." This school believes that the special ed label undermines its inclusive philosophy, one that yields a unique education plan for each student. Special services (for example, speech therapy) are contracted for by the school on an "as needed" basis. Regular reports are made to parents, and written records of progress and problems are maintained for all.

It appears to us, from this example and others we found, that a significant number of families with disabled youngsters are displeased with special education as practiced by regular schools operating under the yoke of federal and state regulation. For various reasons (and they truly vary), that approach was not working for their sons and daughters. Hence they, too, want something different, and for hundreds of them charter schools offer an attractive alternative. Of course, a true alternative should be truly different, which will not be true of charter schools if they are forced to jump through all the same special ed hoops as regular schools.

God sent us here.
Arizona parent of a disabled student

An interesting situation therefore emerges: by law, charter schools must handle special ed as regular schools do, but in practice, what makes charter schools appealing to many disabled youngsters and their parents is precisely that the schools *do* approach these matters differently, and parents (with rare exceptions) do not complain or threaten litigation. Therefore, absent complaints from the "customers," federal and state enforcers have not, to the best of our knowledge, sought to harass charter schools into conformity, although by law they probably could.

I have been working for the past several years with the school district to figure out where my [handicapped] daughter would go to school. I was told that she would be bused two hours one way to attend a special school for disabled students since there was no way that my neighborhood school could take her because of the costs involved. I was also told that I would not be allowed to remain with my daughter during the day and that a special

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Indeed, one role charter schools appear—to almost everyone's surprise—to be playing is that of magnet for children with disabilities and problems of various kinds for which the programs and services of the regular public school system are not working well. We are not, in general, referring to youngsters with exclusively physical handicaps. We observed only a few such children in charter schools, and we judge that many such families are relatively content with the school systems' programs. For girls and boys whose disabilities are mostly mental, emotional, behavioral, and psychological, however, conventional special education programs have evoked some dissatisfaction. Consequently they and their families, in numbers surprising to us, have sought out charter schools.

Judging from the parents we interviewed and the information we obtained from schools, perhaps the greatest source of such dissatisfaction is that conventional special education singles out certain students for "different" treatment, labels them, seems to expect less from them, and yet fails to deliver the kinds of sustained, personalized, caring attention the children crave (or at least that parents crave for their children).

Sometimes special-needs families seek a charter school specifically because it promises to provide individualized treatment to every pupil, disabled or otherwise. Occasionally a charter school's appeal is that all (or some significant number of) its students have disabilities or problems, sometimes similar in nature (as at Minnesota's Metro Deaf school and San Francisco's International Studies Academy special program for deaf students), so children feel no different from their classmates. Sometimes what draws people to the charter school are the high standards for everyone, rather than double standards for the disabled. Many charter schools have the dual appeal of high standards and individualized paths. Sometimes it is the small size of the school or its classes. And sometimes—frequently, in fact—it is the caliber, energy, and caring nature of the school's staff that creates strong appeal.

The upshot is that charter schools enroll many youngsters who probably would be in "special ed" if they attended regular public schools, were the regular schools conscientious and thorough in spotting their problems and were the families willing to submit to the special ed regimen of those schools, complete with their disability classifications, cumbersome Individual Education Plans (IEPs), and so on. Yet that is precisely what makes the numbers elusive. Some families will not submit to having their children labeled, sorted, and treated differently, and some schools avoid "identifying" special ed cases because of the cost and trouble involved or for philosophical reasons.

In an attempt to develop a reasonable estimate of these nuances' implications for charter schools, we asked the schools in our sample to give us their own estimates of three groups within their enrollments: the number of "students with a formal special education individualized plan (IEP)," the number "who do not have a formal special education IEP but who would have had one in their former public school," and the number of "other students with serious learning impediments." The two latter categories, of course, hinge upon judgment and observation, not certain fact, and we did not try to define them further. Some schools complained about our categories, insisting as a matter of principle that all their students are "special." Still, thirty-four of the thirty-five schools in our sample answered the questions. Without any claims as to the comparability of their answers, the accuracy of their judgments, or the degree of representativeness of our sample, here is what seems to be the case with the eight-thousand-plus

youngsters enrolled in those thirty-four schools in the spring of 1996:

Students with a formal special education individualized plan (IEP)	8 percent
Students without a formal IEP	
who would have had one in their former public school	5 percent
Other students with serious learning impediments	6 percent

Cumulatively, these data suggest that 19 percent of charter students have disabilities or impediments of which the school is aware and that affect their education. This may be compared with the approximately 10 percent of all U.S. public school students who today have been "identified" as needing special education. (The oft-cited 12 percent estimate of special ed students actually includes all disabled persons between birth and age twenty-one. Ten percent more closely mirrors the in-school population of disabled youngsters within the traditional school age group.)

We find it equally significant, however, that the larger number of these youngsters in charter schools—schools, it will be recalled, that they attend by choice—are not currently being educated according to the formal procedures and classifications of American special education. One assumes that, if they and their parents felt deprived by this, they would not remain in charter schools. What, then, is happening? Moreover, what message might this convey, both about special education in general and about the awkward fit between the theory and practice of conventional special ed and the theory and practice of charter schools? Several observations:

- In contrast to what was forecast by opponents, it appears that today's charter schools are serving proportionately more disabled youngsters than are regular public and private schools. It also appears to us that most charter schools, despite their institutional youth, are doing a good job in this area, at least as judged by the parents concerned. (These parents are very hard to please!) We cannot prove results, nor can we be certain that the satisfaction will last, but the generalization seems warranted by initial enrollments, by the schools' ability to retain these youngsters for at least a second or third year, and by what parents have told us.
- Many charter schools insist that all their pupils are "special" and, as a matter of sincere commitment, reject the practice of preparing "IEPs" for some kids but not others. If a youngster arrives with an IEP already done in another school that his parents want maintained, the charter school may accede to their wishes. Yet many students arrive without IEPs because their parents disagree with that approach even though the child is disabled in some way. For them the charter school may be heaven-sent because it refuses to treat their children specially.
- A large number of charter schools—approximately half, according to a national survey by the Education Commission of the States—were created to serve at-risk youngsters. In other words, their primary (sometimes exclusive) clientele comprises children with special needs of some sort. For them, the concept of "special ed," with its conventional statistical categories, is essentially meaningless. (If you run a restaurant, you can as-

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nurse would be needed. . . . I was therefore surprised and quite pleased when this charter school agreed to accept my daughter and noted that they would work with me to do what was necessary. As a result, a handicapped-lift-equipped bus was purchased, I spend a great deal of time at the school as a parent volunteer, and my daughter has already been adopted by many of the older students.

Michigan parent

I had to quit my job to drive him to school but it has been worth it. The teachers never leave the kids alone. They walk with them, eat with them, have longer days, and show a lot of extra commitment.

Arizona parent

My daughter was earning straight F's and had decided that she was stupid, but in this school she is thriving, thanks to its smallness, its wonderful and dedicated teachers, its arts focus, and its less stressful climate.

Arizona parent

sume that everyone who walks in the door is apt to be hungry; if you run a barber shop, you take for granted that your customers need haircuts.)

- In schools that were not designed specifically for at-risk or disabled youngsters, but where the open door draws many such families in, the first year or two may find the school not quite up to the unique needs of all its students, at least not in a formal bureaucratic sense. If, say, a quarter or a third of a charter school's pupils appear to have learning, behavioral, or emotional problems of some sort (and that does not exaggerate what we have witnessed in some schools), the school's natural first response is to attend to those problems, to the best of its ability, with the available staff, and within its general philosophy. Its first response is usually not to send the youngster for elaborate testing and the entire special ed ritual. Moreover, if a school devises functional ways of dealing with a youngster's problems, the ritual may never proceed.
- Like a sword of Damocles, the prospect of the "fifty thousand dollar kid" looms over the delicate finances of charter schools. Such a situation has not yet befallen many, at least in our sample, but it could: the arrival of a child with many special needs, both physical and mental, and a preexisting IEP that spells out how these will be met, including individual attendants, customized equipment, and the like. Serving such a child in this way may cost the school as much as ten or a dozen other youngsters, and if the full cost must be met within the charter school's regular budget the fiscal consequences may be dire. Only a few schools in our sample have taken suitable precautions. For example, Guajome Park Academy in Vista, California, pays the Vista Unified School District an "encroachment" fee based on average daily attendance for using Vista's special education services. Douglas County, Colorado, offers its charter schools a special ed "insurance policy" by which the charter school pays the school system what amounts to a special ed "premium" for each of its pupils, in return for which the school system agrees to handle the costs of all necessary special ed services (as it would for youngsters in "regular" county schools).
- Federal and state special ed laws, regulations, and procedures are ill-suited to many charter schools. Funding formulas, program requirements, enforcement mechanisms, and so forth are designed for schools (and school systems) in which some pupils are deemed "special" and others are not. These mechanisms are designed to be managed by a large bureaucratic and regulatory superstructure, which charter schools do not have, and are staffed by people who, far from being the jacks-of-all-trades that we find among charter teachers, specialize in particular subdivisions of a child's life. Funding flows according to packages of services, and the whole system is formalized and ritualized, rife with procedural safeguards and the provision of discrete services, sometimes inattentive to student

achievement, and hostile to informal, pragmatic approaches to dealing with a particular child's situation.

These complications are, in fact, representative of the dominant educational culture against which charter schools have reacted as an alternative. Small wonder that efforts to subordinate charter schools to this aspect of conventional education produce friction. It seems to us dysfunctional to continue this form of subordination. Disabled children would probably be better served if charter schools had greater freedom to innovate in the special ed area.

Teacher Unions and Charter Schools

Nationally, both major teachers' unions are now voicing mild endorsement of the charter school concept, but they are hedging it with so many restrictions and conditions that charter schools are scarcely worth doing their way.

Perhaps the most interesting, even perplexing, recent development is the National Education Association's plan, announced in spring 1996, to create five or six charter schools of its own. The first of these is slated for Colorado Springs, with schools to follow in San Diego, Arizona, Georgia, Hawaii, and perhaps Wisconsin. The American Federation of Teachers is already associated with two charter schools. Their motive is not yet entirely clear.

The NEA claims that it is "exploring" this "innovation" and wants to show that "teachers and other school staff have a vital role to play in the remaking of our public schools and that charter schools provide an important opportunity for the profession."

What are we to make of this?

We know that many of the best charter schools were founded by teachers. We also know that one major reason some of them "went charter" was to *escape* from the shackles that NEA- and AFT-bargained master contracts had imposed.

The NEA's tentative support for charter schools is contingent on their meeting a list of "criteria." (The AFT's published criteria for supporting charter schools are nearly identical to the NEA's.) The obvious question is whether meeting all those conditions will hamstring the schools that result, turning them into something more like today's typically wan, site-managed, "regular" schools than the feisty, truly different, and genuinely autonomous educational institutions that typify the best of contemporary charter schools.

Especially worrisome is the "criterion" that says, "Staff has the right to a collective agreement regarding their rights, benefits, and working conditions." The result of this condition will depend hugely on how it works in practice, especially on whether charter school staff are freed from the master contract that governs the community's "regular" schools. (The master contract is the voluminous document that typically regulates salaries, hours, calendars, class size, terms of employment, labor-management relations, and sundry other variables that charter schools typically want to change.) If these matters cannot be handled differently, the school is not really worth calling a charter. There is no problem—for us, anyway—if teachers within a charter school choose to organize and negotiate their own employment agreement. Unfortunately, that system is not apt to work very well if the district's master contract prevails.

Are the unions just increasingly shrewd in their opposition to the charter concept, forsaking frontal attack for imposition of conditions and criteria that sap its vitality? So we suspect.

My noncharter teacher friends know little about my school or, if they do, they seem jealous. Overall, the people who seem most threatened are school administrators and teacher union leaders, not the teachers themselves.

Minnesota teacher

I'm a loyal union member who isn't out to undermine the union, so why should they be opposed to what I'm doing? They should be about the business of supporting teachers in what teachers want to do, not setting up barriers to what teachers want to do.

California teacher

This charter school has provided real choice for parents and has heightened the sense of accountability among my other schools. The district's local board is also beginning to stand up to the union more after seeing that this type of alternative can work and that not all teachers want to follow the union line.

Minnesota district superintendent

Perhaps more important than trying to read the unions' Washington entrails, however, is reporting what we have observed at the state and local levels. *Without exception, in the seven states of our sample the unions' primary objective vis-a-vis charter schools is to keep the program as small, weak, and limited as possible.* They are generally the primary political prods toward tight caps on the number of charter schools, restraints on who can start them, and sundry conditions on their operation. Although not the sole political opponents of vibrant charter programs—they are usually joined in this by school board and administrator groups—they are nearly always the most potent.

Where the union poses a serious threat to charter schools, it should be noted, that threat is most apt to manifest itself at the law-writing and charter-granting stages. Yet one must also remember that the states in our study are those with the most charter schools, and obviously those are states with relatively strong charter laws which usually include substantial freedom from union domination. (The main exceptions are California and Wisconsin.) It is self-evident that existing charter schools have somehow triumphed over or accommodated themselves to opposition from all sources, unions included. But the dog that didn't bark—the myriad schools that do not even exist, hence that we could not study—is often the result of the unions' success in keeping charter laws off the books, binding them with obnoxious conditions, or successfully opposing the issuance of specific charters.

That opposition is sometimes fierce. We were told of situations where the union local pulled out all the stops to persuade the school board (or, more rarely, the state) to deny a charter petition. In situations such as California's, where a majority of a school's teachers must support its application to "go charter," we have heard of intense campaigns by the union to talk its members out of this move. In other places, the union works on community sentiment by, for example, alleging that the charter school will discriminate against disabled or minority youngsters.

Financial pressure has also been attempted. A Michigan newspaper reported that the Traverse City Education Association refused to support the district's application for a $300,000 teacher training grant because it meant working with two groups involved in establishing charter schools in that state: Central Michigan University (CMU) and the Michigan Partnership for a New Education. The president of this NEA affiliate was quoted as saying, "It may be money for the school district, but we do have principles we must follow." Another well-known example—involving management more than labor—concerned a Michigan school superintendent who sent a letter to CMU stating that his district would no longer accept that university's student teachers or recommend that its high school graduates matriculate there.

The pressure has also become quite personal. Several charter school parents noted that they have lost the friendship of their non-charter schoolteacher friends. One parent (who also teaches in a regular public school) noted that she continues to undergo a hard time from various union members. She was also bitter because a portion of her dues was being used to fight the very school in which her children were enrolled.

Often the opposition succeeds. Other times, it forces charter founders into compromises that, for example, limit the size or grade span of the charter school or oblige it to pay union-bargained salaries. But we also encountered a few instances where the local union has been mildly helpful, and more where it sat

on the sidelines, neither assisting nor visibly undermining the charter sequence.

Besides initially getting a charter, perhaps the most important union-related question bearing on a school's eventual success is the extent to which it is bound by a master contract, collective bargaining agreement, or similar arrangement negotiated outside the charter school itself.

Where union master contract provisions do apply—in our sample that meant primarily Wisconsin and some California charter schools—the most important of these, of course, cover salaries and hours. Yet in almost every instance there have been either formal waivers or informal understandings that things would be done at least a little differently in the charter schools.

In states where the master contract does not apply but charter teachers are allowed to organize their own local union, we have yet to find a single instance where this opportunity has been seized. On the other hand, we have found several cases where unhappy relations between a charter school's teaching staff and its board or administration, should they persist, could create the classic environment in which union organizing flourishes: a sense on the part of employees that they must band together to muster the collective strength to combat what they regard as exploitation or abuse by management. This appears to be a particular concern in Michigan where, by law, teachers are not allowed to be members of the charter school board. A classic "us vs. them" atmosphere appears to have arisen in several cases.

Once a school obtains its charter and opens its doors, its relationship with the union is often fairly well established, for better or worse. Those relationships take almost every imaginable form. We have seen the following:

- Schools where, by law, union rules could apply but the teaching staff refuses to join the union and pay its dues;
- Schools where all teachers are union members and the master contract officially applies, yet almost everything is done differently;
- Schools where some teachers belong to the union and some bargaining agreement stipulations apply (usually salaries, benefits, and right of return to the district) but most do not;
- Schools whose teachers would like to form or retain a tie with the local teachers' union but whom the union rebuffed.

This latter situation continues to perplex us. We know of one school whose teachers joined the state NEA affiliate after the AFT affiliate refused to let them in. In another case, when teachers invited an NEA representative to their school to discuss possible membership, it was noted that he spoke so poorly of charter schools in general that every teacher in that charter school refused to consider joining.

We know that the union doesn't want to give up power. But we also know that the union can continue to do what they've been doing only if we allow them to do it. And we've reached the point where we've said that we won't allow it anymore.

African-American community activist

Prospects

It could be that the charter movement as yet is still so small that, from the unions' standpoint, the existing schools resemble fleas on the skin of an elephant—somewhat annoying but not much more than that. Just as charter schools provide a haven for students and families who seem disruptive in the regular schools—the square pegs that refuse to stay in the round holes—so, too, they provide an attractive alternative for the teachers who are most annoying to unions (and administrators): those who want to do things differently. Besides, American trade unions are at least nominally democratic, so it is difficult for

their elected leaders badly to rebuff the wishes of their own members to teach in a different kind of school.

It is possible, therefore, perhaps even likely, that as long as the charter movement remains small, the unions will find it possible to coexist. That is also, of course, why they are putting so much political energy into keeping it small.

In a fundamental sense, we believe, the charter movement, if it retains its essential attributes, is antithetical to the central tenets and practices of today's teachers' unions. It offers an alternate (and to some teachers more attractive) form of professional legitimacy. As it grows, it also threatens the unions' chief sources of political strength and economic clout. Knowing that, we must expect that they will strive to contain it or co-opt it—and that recent gestures of accommodation are part of that strategy.

As a 25-year public school veteran and former union member, I was shocked at MEA's all-out attack on our charter school law. They were effective in killing our initial law and almost shutting down this charter school. They obviously have lost any focus they might have had on teaching and learning.

Michigan teacher

Finance Policies

As policymakers enact charter school laws and other choice-based reform initiatives, the cry is frequently heard that "the money should follow the student." Indeed, many legislators assume that this is what actually happens once they pass such laws. Unfortunately, that assumption is far from reality. Elementary/secondary financing systems do indeed use individual student counts as the core of their state-aid formulas; but they also dispense significant amounts of state, local, and federal funds that are best described as "district-based," not school-based (and certainly not student-based). Property within district boundaries is still used to generate much of the revenue for school capital and operations. Title 1 and other federal programs are distributed according to district-wide demographics. Many state categorical programs are funded similarly. In their push to increase school choice and diversity, policymakers need to recognize and address a number of issues that arise from education finance systems not designed with those objectives in mind.

Chapter 3 discusses a number of funding issues that cause particular difficulties for charter schools. These include receiving less money than neighboring traditional schools, the lack of capital funding, cash-flow peculiarities, paperwork requirements developed with larger systems in mind, and funding formulas geared more toward districts than toward schools. Those problems would clearly benefit from the attention of charter-minded policymakers. In this section, we do not repeat those observations. Instead, we address several other money-related dilemmas that need resolution if the charter school movement is to succeed in the long run.

First, we note with concern the "my money" attitude of many school districts. District leaders often view all state and local funds that flow through their coffers as "their" money rather than funds that the taxpayers have designated for the education of children. This leads many to resist having any such funds go to charter schools even though the district is no longer responsible for educating those students. The prevalence of this attitude has contributed to most charter schools not receiving their share of local education funds (as discussed in Section 3)—and to additional fiscal restrictions placed upon them. For example, charter schools in Minnesota may not accept any outside private funds or grants once they have moved beyond the start-up phase. Nor are they permitted to use any state funds to acquire a facility or property. (Thus they must lease forever.) In Michigan, charter schools were initially allowed to use no more than 5 percent of their funding for debt repayment. (This limit was recently

increased to 20 percent). Such restrictions are not placed on other public schools in those states. But they place significant barriers in the paths of some charter schools.

Second, policymakers would do well to accept the fact that successful charter schools will eventually have a negative financial impact on existing school districts, and they should prepare to deal with this politically. Charter schools often pull students from many schools across a single district (for example, a few students from each elementary school) or from several districts, and it can be difficult for "regular" schools to decrease their expenses even though they no longer serve these students. (The loss of three or four pupils from a given school seldom translates into one less teacher salary for that school.) Should state policymakers purposely "protect" districts from such losses? (The Massachusetts legislature agreed to allow districts to phase-down, over a three-year period, any funding losses due to charter schools.) This provision of course constitutes added costs for states while possibly easing the economic pressure for schools to improve in order to retain students. On the other hand, such a cushion mitigates funding losses to students (and staff) who remain in the traditional system. In order to keep the charter school movement alive, it may be necessary to appease some stakeholder groups. But how much of this can the state afford financially? How much is appeasement worth if the funds used for this ransom would otherwise be used to create more charter schools? Policymakers may also want to remind themselves that parents would be less apt to choose charter schools if regular schools appeared efficient and effective to them.

The district and the unions are like two starving dogs chewing upon a bone with no meat on it. They're totally dysfunctional. People are so burned out and enmeshed in incompetence that they can't tell you who's competent or incompetent.

California charter board member and business executive

Third, charter sponsorship and oversight carry some real and, we think, legitimate costs, whether these functions are performed by districts, state boards, or universities. This is true even if no other services are provided (for example, transportation). What is a fair amount for the sponsor to exact in application or overhead fees? Should state policymakers set parameters for such fees, or should the market prevail? Michigan's charter law, for example, allows no more than 3 percent to be charged as a sponsorship fee. On the other hand, we have gotten wind of an Arizona district that might be accused of trying to enrich its own coffers by "selling" charters for large onetime fees. (The answers to such questions also depend, of course, on whether potential charter operators can seek sponsorship from multiple sources or are forced to go to one entity.)

Finally, policymakers should realize that charter schools are not a cost-free reform for the state as a whole. Although nearly every charter school receives less money per pupil than its neighboring districts, the overall charter program may cost the state more money. A key reason is that a number of private- and home-schooled students are being attracted back into the public system by charter schools. (In our thirty-five-school sample, such students represented 10 percent of the total and dropouts comprised 4 percent more.) Other reasons involve funding quirks; some states, for example, have allowed some federally funded Bureau of Indian Affairs schools to receive full state charter funding; districts to continue to count their "lost" students for a year or more (in effect double-funding these pupils); and excess transportation funds to be given to charter schools.

Many policymakers believe strongly that initiatives like charter schools are necessary to improve and revitalize American public education. Yet few

have acknowledged that this takes more than simply writing a law to allow the creation of such schools. In order to ensure the viability of such initiatives over time, traditional school financing systems must also be addressed. Much current public funding does not truly "follow the student," and it will take a great deal of political willpower and expertise to make that happen. Such a change would not only assist reform movements like charter schools but would also improve the equity of finance systems for all public schools and their students.

The union tried to set up a lot of confrontations as we were organizing this school, . . . between the principal and the teachers, the school and the district, the parents and the teachers. I don't understand why they opposed this school. This is something the parents wanted to do. I was very upset. The union really has to change its outlook if it's going to try to get people like me involved in it again.

California teacher

Accountability and Evaluation

Those who start charter schools are engaged in what former U.S. Secretary of Education Lamar Alexander called "old-fashioned horse-trading," swapping rules and regulations for results. Being directly accountable for one's results—and free to achieve them as one sees fit—is a combination rarely seen in conventional public schools. Much of the appeal and much of the promise of charter schools lies in that combination.

Still, we must keep in mind how sharply this approach to judging educational quality—according to students' achievement, knowledge, and capabilities—diverges from the decades-old conventional wisdom that quality is properly gauged by inputs, services, resources, and intentions. Whereas most of the educational establishment still upholds the older approach, the charter movement's emphasis on results has won widespread support among policymakers and the lay public.

Those same policymakers and laymen legitimately want to know if their continuing support is warranted, and whether the greater freedom given to charter schools yields better educational results than those produced by conventional public schools. It is not unreasonable for them to expect hard evidence at the "macro" level.

Moreover, at the "micro" level, chartering authorities' decisions about renewing or terminating individual schools or allowing those schools to grow, open branches, or reproduce themselves, should flow from actual evidence, not just reputation, political connections, or evocative rhetoric.

There is, then, no more fundamental issue for policymakers than ensuring that a thoughtful and well-founded accountability and evaluation strategy is formulated for both the "macro" and "micro" decisions to be made about charter schools.

How should charter schools be accountable? On what basis should their performance be appraised? What must policymakers do to ensure that timely, valid, and reliable evidence is available for evaluating them? What accountability efforts are now underway?

Stronger in Theory than Practice

Many state charter laws are strong on theory when it comes to accountability and evaluation. They acknowledge the horse-trade that exchanges rules and compliance for results. Typically, they establish three general criteria for holding charter schools publicly accountable:

- reasonable progress on meeting each school's own goals for its students
- standards of fiscal management concerning the proper use of funds
- general probity and avoidance of scandal

Many laws require charter schools to produce an annual report for the state, their students' families, and the general public. Most also mandate some sort of statewide evaluation of the effects of the charter school legislation.

In our interim report, we commented that we had not yet seen a single state with a good systematic plan and strategy for evaluating its charter schools (based upon our fall 1995 visits). Since then we have seen some progress, yet most states are still in the developmental stage and some have still not developed solid accountability and evaluation plans. Perhaps this is not surprising, given the sorry condition of most state assessment and evaluation systems.

We do not think it is difficult to imagine the general outlines of a charter school accountability system (one, we might add, that would also work for conventional schools).

The unions can't afford to have their monopoly broken. They've tried to paint a picture of us as extremists.

California charter board chair and parent

The Accountability Triad

Any well-functioning enterprise begins with a clear set of expectations. In education, these expectations were defined for many years by the Carnegie unit—that is, a uniform measure of course-taking.

This "input" or "seat time" definition has begun to give way to the results-oriented approach characteristic of charter schools, one that spells out standards of student achievement, demonstrable knowledge, and skills. This means setting forth what students will know and be able to do at various checkpoints if the school does its job properly.

For standards to have a real impact, we also need good tests and other assessments of student and school performance. We need good information about how we are doing at the various levels that matter: with the individual child, the school as a whole, the state, and so forth.

The MEA is still protecting all the teachers, even those who are not doing the job. Other unions have learned that they cannot survive if they do this, but competition is necessary to make them see this. Charter schools provide part of this competition.

Michigan parent

Finally, we need accountability mechanisms that feature real stakes and consequences for everyone involved. This implies that students should be promoted and graduate only when they have met the required standards; that universities should admit students only when they meet college-level entry norms; and that employers will do likewise.

Consequences should not apply only to students. Teachers, principals, superintendents, and other responsible adults should also be rewarded for success, penalized for failure, and dismissed if they or their institutions cannot get the job done.

Standards, testing, and consequences—these are the three crucial parts of speech in the grammar of accountability.

More specifically, an accountability system has several aspects to it: clearly delineated content and performance standards; exams that mirror those standards, a blend of teacher-designed assessments for classroom diagnosis and external tests—independent audits, really—prepared and administered by people other than the school's own managers; timely and understandable results that can be compared over time with other schools, across jurisdictions, even internationally; and additional indicators of school success including attendance, graduation rates, incidence of discipline problems, Advanced Placement results, and the like.

As of January 1996, we had not seen a single state create and implement a systematic strategy for evaluating charter schools along these lines, but the situation has since begun to improve.

Massachusetts, for example, has undertaken a systematic and, we think,

The union supported us when we asked for charter approval because we didn't ask for any bargaining agreement waivers on salary and seniority issues. We're basically locked into the union contract.

California teacher

promising effort to implement an accountability and evaluation plan for its charter schools. This plan carefully balances two competing interests: the state's need to hold schools accountable for the use of public funds and to ascertain whether students are learning; and the charter school's interest in being evaluated in a manner sensitive to its unique mission and distinctive character.

This is no simple balancing act. It led Massachusetts, on the one hand, to enumerate general questions it wants answered along with other items on which basic data are needed from all charter schools (for example, enrollment and demographics). On the other hand, each Massachusetts charter school was also invited to design its own evaluation and accountability plan so that it could answer these questions in a manner consistent with the school's own purpose as set forth in its charter.

More specifically, the Massachusetts Secretary of Education posed three central questions to guide the school's evaluation: Is the academic program a success? Is the school a viable organization? And is the school faithful to the terms of its charter?

To judge performance against those three general criteria, Massachusetts asked each school to

- develop and pursue its own clear and measurable school performance objectives;
- measure and document progress toward those objectives
- use credible student assessment tools for annually tracking student performance;
- annually report its objectives, progress toward them, and student assessment results, along with other required information requested by the state.

The state will reimburse schools that opened in 1995 up to $10,000 each for purchase of consultation or advice to help them develop the evaluation measures, and will also pay an additional $6 per student for tests.

It should be noted that when Massachusetts' new statewide assessments for public education are in place, charter school pupils will be expected to take these as well.

Several other states are getting their acts together with respect to the evaluation of charter schools. In Colorado, for example, where the current charter law "sunsets" in mid-1998, the State Board of Education is obliged to report to the legislature by January 1997 on its evaluation of the charter program. This looming deadline, plus the availability of new federal charter school aid funds, led the Board, via the State Department of Education, to issue an "RFP" in early 1996 for a statewide charter school evaluation. Though underfunded by the Department, this evaluative effort is being matched (perhaps surpassed) by an ambitious self-study effort organized by the state's energetic League of Charter Schools (and also partly funded by member schools' contributions of some of their federal grants), to gather and analyze quantities of data while encouraging and assisting individual schools (and clusters of schools) in obtaining external evaluations of their own.

Minnesota's State Board of Education has recently contracted with the Center for Applied Research and Educational Improvement at the University of Minnesota to examine whether charter schools are improving student performance. A preliminary report is expected in December 1996. Recent

revisions to Michigan's charter law now require that state's department of education to conduct a statewide evaluation, and this process has just begun.

Other "Macro" Efforts

At the federal level, the U.S. Department of Education is supporting a national study of charter schools under contract with RPP International of Berkeley, California. Study plans include an annual survey of all charter schools, a more intensive look at the operation of a sample of charter schools, and achievement testing at a smaller sample of charter schools.

In addition to the federal and state-initiated evaluations, we have seen various studies, evaluations, and reports on charter schools nationally or in particular states. For example, the Education Commission of the States has published the results of a national survey and several policy briefs on charter schools. These have provided limited but valuable information on these schools.

In our sample states, several research reports have been published.

In California, the "Little Hoover Commission," an independent state agency, conducted an eight-month study of that state's charter schools. It found "many signs that these schools are meeting the needs of students, the expectations of parents and the demand of public accountability." It also included a set of recommendations to the governor, legislature, and local districts to improve the implementation of California's charter law.

Another useful and informative profile of nearly all California's charter schools was produced by Eric Premack for the San Diego Chamber of Commerce Business Roundtable for Education and Charter Schools Consortium. It includes information on curriculum and instruction, student demographics, assessment, distinguishing features and successes of these schools, and unique obstacles and challenges they face.

Several studies of charter schools in California have been undertaken by WestEd, a federally funded "regional educational laboratory." We referred to one of these in our interim report and took exception to "[its] bizarre and outrageous criticism that [charter] schools expect too much involvement by parents! The allegation . . . is that requiring a great deal of parents . . . will tend to drive off weak families, single parents, the children of people who do not care much about their education." This hardly seems to be the case, as we indicate in sections 2 and 3 of this report.

In a more recent report, WestEd provides useful descriptive information on a number of California charter schools, including evidence that dispels certain myths and portrays charter schools as indeed doing things very differently than conventional public schools.

Yet the newer report also reaches some overzealous and possibly partisan conclusions. For example, it claims "modest support for the possibility that charter schools are underserving special education students." Later in the same report it calls these "only tendencies . . . [that] are not statistically significant."

This assessment leads us to suspect that parts of the WestEd analysis result from an agenda driven more by ideology than by close attention to the facts. The report is a good example of how the charter school world is quickly becoming vulnerable to politicized education policy research and evaluation. More opposition is apt to occur as the number of charter schools grows and they become more threatening to education's status quo.

Another useful state-specific study of charter schools comes from Arizona,

While I'm not antiunion per se, I do think the union is much too interested in maintaining the employment of its members rather than working to do something different that would lead to a quality education for all kids.

Union member teaching in a California charter school

where the Goldwater Institute conducted an informative survey, the results of which it published in April. Almost all schools participated in the survey, as did about one-quarter of Arizona's charter school families. Though the student and family data are somewhat skewed by the families' low participation rate, the report contains much informative data on Arizona's bumptious and variegated crop of new (1995-96) charter schools and their students. Included are baseline data on academic achievement indicating that, at the dawn of their charter attendance, the youngsters in these schools scored below state and national averages on the Iowa Test of Basic Skills. We interpret this data as further evidence that charter schools are not "creaming" the "best and brightest" pupils. (This example also shows the extra distance charters will have to cover to persuade skeptical observers that they are doing a better job academically than conventional schools.)

This is a new frontier for me and for all of us, and I think the union should let us test a lot of new approaches to working with the kids we have. The present system certainly hasn't worked for them.

California teacher

Although now two years old, a report prepared by the research department of the Minnesota House of Representatives (December 1994) provided initial findings that continue to hold true. These researchers found that parents within the charter schools examined were generally satisfied with their decision to place their children in these schools. The report noted that the reasons parents chose these schools included small classes, school location and environment, dissatisfaction with conventional public schools, quality of teachers, and the chance for more parental involvement.

The "Micro" Level

As we visited charter schools around the country, we asked questions about accountability, data, and outcomes. We inquired about standards and tests, consequences for students and staff, the role of staff development within a results-oriented school strategy, the dilemmas and challenges charters face in trying to demonstrate progress or compare themselves with other schools, and other related concerns.

We wanted to see what these schools were doing to create truly accountable educational institutions. What accountability infrastructure were they developing so that in time they would have defensible evidence to support their continuation or expansion? Here is what we have found so far:

Eventually, I think we'll have to go head-to-head with the union. Everything we do undermines what they stand for.

California charter head

- Charter school staffers, students, and families—each from a particular perspective—readily and comfortably speak the language of accountability: that is, standards, assessments, and consequences. It was rare *not* to hear staff members discuss their personal commitment to an educational program based on world-class standards that all students are expected to achieve; tests (or portfolios, projects, performances, whatever) that appraise whether students are actually learning to those standards; and consequences for students and teachers linked to standards. For their part, families mostly expect their children to be taught from a challenging, rich curriculum in a safe and caring environment. They also expect to receive regular, reliable, and "plain-speaking" information from the school on how well their children are mastering this curriculum. Though students are not usually as clear or articulate about their expectations—and some do not have a lot of use for academics in any case—we heard from a significant number that they desired a

stimulating curriculum and teachers who take an interest in whether they learn it.

- Discussion about accountability was neither elitist in its view of standards nor punitive in its stance on consequences. It was founded on the bedrock belief—a core precept of almost every charter school we set foot in—that nearly all kids can learn to high standards; that equity requires all who want it to have this opportunity; and that students are best served via truthfulness regarding their own performance, provided that truth is accompanied by a caring attitude and ample help for those who need it to improve.
- Reaching high standards involves exceedingly hard work for both staff and students, especially if students were already faltering because of bad educational experiences elsewhere. Charter schools do not shy away from such work—and youngsters who want no part of it may be invited to enroll elsewhere. We heard a fair amount of talk about attitude as a limiting factor, but very little about innate ability. Charter schools seem to us to come closer to putting into serious practice the "all kids can learn" precept than most conventional public schools. This arduous process is seen as an important part of the school's commitment to imparting to students the knowledge, skills, character, and virtues needed to succeed in today's world. This is the stuff of which real self-esteem is made. For staff members, the challenge is always to find a way to help students reach the standards that have been set.
- Most of the schools we visited have developed—or were in the midst of developing, or knew they must promptly develop—a clear, written set of expected outcomes for their students. A few schools were unclear about how to do this, and a few had concluded that they lacked the time or talent to do it entirely "in house" and were seeking consultants or staff-developers to help. Among the charter schools that already have written descriptions of their standards and desired outcomes, we found great diversity in these and in how they are expressed. Some schools that began with an outcome statement written in general or nebulous terms are revising it into plain and more precise English. The result usually is a more refined and measurable set of student expectations. This process bears watching next year.
- Charter schools use a variety of traditional and modern measures to gauge whether students are learning to their standards. The more traditional tools include norm- or criterion-referenced multiple choice tests of basic (and sometimes "higher order") skills. Some also include open-ended ("essay-style") questions. Nontraditional tools include all manner of portfolios, performance assessments, individual evaluations, self reports, and teacher observations. One of the more unusual involves monthly "exhibition nights" where parents and community members rate student projects and presentations. Such ratings are a

The union needs to develop new models for teacher contracts that judge us more by what our students learn than anything else.

Massachusetts charter teacher (and union member)

Some individuals in this state believe that charter schools should be able to do more with less. That is why the law is written to ensure that charter schools receive less money than regular schools.

Minnesota policymaker

determinant in granting students mastery of the competencies in question. Many of the nontraditional approaches are still under development. This process, too, bears watching.

- The professionals in these schools generally want to be—and in every instance know that they will be held—accountable for their school's and their students' results. They expect to be free to organize themselves and deploy their resources as they see fit, knowing that their ultimate goal is for all students to learn to high standards. For them, professional development has become more than an occasional one-day, in-service workshop on some new technique. It is intimately linked to creation of the school's own curriculum, pedagogy, and accountability system. This process requires teachers to work at developing their content knowledge, sound pedagogical methods, and the materials they need for classroom use. Staff were surprisingly united in their belief that those who falter and cannot resolve their problems have no right to continue engaging in educational malpractice. They are willing to be held accountable, and they welcome—indeed, actively seek—feedback from colleagues and others.

From now on, each student [in this district] wears a tag of $10,000 around his neck, and it is incumbent on schools to duke it out for that child.

Massachusetts public school administrator and charter founder

A Dilemma

Staff and families (and some policymakers) with whom we spoke often pointed to a fundamental accountability dilemma faced by many charter schools. State laws that require specific assessment instruments for accountability purposes may not suit their situations. Neither may the traditional survey instruments that local, state, or national organizations use to gather information. Conversely, a charter school's use of innovative assessment techniques whose reliability is not thoroughly proven may cause some to doubt their reports of academic success. In the simplest terms: what a charter school was founded to teach may not be exactly what the state (or district) tests. And the ways the charter school most desires to demonstrate its effectiveness may not yield the kinds of information that the larger world demands.

When calculated on a per pupil basis, state funding has increased for every district in which a charter school is located.

Pioneer Institute study of funding in Massachusetts

District- and statewide management information and accountability systems typically assume that all schools within the jurisdiction are essentially identical. Seldom are they sensitive to fundamental differences among schools. Those with whom we spoke raised another problem with the survey approach to collecting information for accountability and evaluation purposes. The standard approach may simply collide with the school's own philosophy.

Our earlier discussion of special education is a good example of this conflict. (An I.E.P.-based survey instrument would not begin to evoke the rich variety of charter schools' approaches to the education of disabled youngsters.) But there are other examples of charter school approaches that differ from standard practice and are difficult, if not impossible, to document on traditional surveys.

Consider the abandonment by many charter schools of conventional organization schemes such as grade levels in favor of mixed ability or performance grouping, individually paced learning, multiage grouping, and other forms of continuous progress. Consider, too, how curriculum and time are organized. Although some charters rely on traditional subject categories, it is less common to find one—even a so-called "back to basics" school—that does not have some

variation of block scheduling or devote a major portion of the day to interdisciplinary or project-based learning. Teachers may be organized into houses that span several grade levels. They may remain with students over two or more years. Also, the organization of student learning time can be dramatically different, including longer school years, more attention to academic subjects, before- and after-school tutoring, summer studies, and so on. The administrative setup of these schools is different, too, as are their unique and multifarious governance arrangements.

Conventional report and indicator systems cannot capture all this, nor do they deal well with categorical services that charter schools are transforming. Standardized information systems do not elicit the fine-grained information from charter school respondents that would paint an accurate picture of what they are doing and for whom they are doing it.

Charter school financing is tricky for both technical and political reasons. It forces us, however, to get a better handle on how funds are distributed and to look for more efficient ways to accomplish this process.

Minnesota state official

How to Proceed

Evaluating charter schools on the "macro" and "micro" levels and holding them accountable is a big challenge for analysts and policymakers. Actually, that task comprises five challenges:

- **First,** creating an evaluation framework that focuses on results, not inputs and resources. Our best advice here is to focus on the "accountability triad" (outlined at the beginning of this section) while recognizing the uniqueness of each charter school.
- **Second,** specifying what indicators will yield the most suitable information about results in the charter context. Our school visits and interviews lead us to recommend that these indicators not be limited to test scores—as useful and necessary as these measures can be. Many charter schools are proving creative in their use of nontraditional approaches to student assessment and the appraisal of school effectiveness. States should do likewise. For example, there are marketplace signals such as how many people want to attend or work at the school. There are engagement/disengagement signals that stem from students, parents, and staff, including attendance rates, incidence of discipline problems, homework completion, and the like.
- **Third,** there is the challenge of balancing the state's interest in holding all schools accountable in some uniform and presumably fair way, against each (charter) school's interest in being evaluated in a manner consistent with its unique mission. Here we hope that states and schools can work together to spell out mutually agreeable ways of documenting school success (or lack thereof) on the short list of essential points the chartering entity legitimately wants data about: whether students are learning to high academic standards in core subjects; the school's organizational viability; and the school's success at carrying out its unique mission.
- **Fourth,** there is a methodological challenge in gathering data on charter schools: the insensitivity of conventional surveys (and tests) to valuable school-specific idiosyncrasies, characteristics that are sometimes sufficiently profound to vitiate the

Everyone here believes that this school has got to deliver good academic results or we shouldn't exist.

Massachusetts principal

relevance or applicability of an entire set of questions.

- **Finally,** there is the analytic challenge of ensuring that reports on charter schools are as free as possible from ideological biases and political agendas. We expect to see more dubious research as charter schools proliferate and show further signs of success. A related problem will be the temptation of some policymakers and analysts to establish a "double-standard" evaluation system in which more is expected of charter schools—for less money—than of conventional schools. In reality, we have encountered many cases where the "playing field" is tilted against charter schools, where leveling it would actually mean reversing the current practice: giving them extra credit for shouldering—with meager resources—the ambitious tasks and difficult students they are taking on.

We want positive student learning outcomes as soon as possible.

California principal

School Failure and Its Prevention

A general rule of human nature and institutional behavior is that all new movements have their failures. Charter schools are not exempt from this rule. Some will fail. The good news is that charter school failures will point the way toward the kind of serious accountability system many people believe is vital for all of U.S. public education: Schools that do not produce the necessary results have no right to continue engaging in educational malpractice.

Charter schools point the way because, as we discussed in the previous section, a critical element of their "deal" with their sponsors involves consequences for failing to achieve promised results. Retaining or renewing a charter hinges on demonstrated performance. Holding students hinges on satisfying their clients. It is a powerful combination, probably the most potent accountability arrangement anywhere in American education.

While the Secretary of Education is interested in appraising the effectiveness of charter schools in relation to other public schools, when it comes to the evaluation and renewal of any one charter school he is chiefly interested in its particular performance vis-a-vis its own stated mission.

Massachusetts state advisory to charter schools

Since the charter school movement began in Minnesota in 1991, to the best of our knowledge there has been only one outright charter school failure, i.e. the actual shutting down of a charter school after it became operational. (Several others have been placed on probation.) The Los Angeles Unified School District revoked the charter for Edutrain after evidence was uncovered of several problems, including fiscal mismanagement. The scandal included the lease of a $39,000 sports car and provision of a bodyguard and housing subsidy for the school president.

Such a failure naturally lends itself to use by charter opponents as evidence that the freedom given these schools makes them likely locations for quacks intent on fraud, deceit, and self-enrichment. But the Edutrain story can also be viewed as proof that the charter concept works: the school was held accountable.

Seldom if ever does this policing happen as swiftly and surely within "regular" public education. California charter supporters contrast the Edutrain episode with the plight of the Richmond school district in Northern California. It filed for bankruptcy protection several years ago and cost the state millions of dollars in unpaid debts, but it had been a widely recognized fiscal and educational disaster for years before any action was taken. That is what one typically observes in regular school systems and conventional schools, which are seldom forced to close for even the most egregious forms of misbehavior or malpractice.

We expect other charter schools to fail. (A couple of schools in Arizona

came close this past year, and others are known to be struggling in California, Minnesota, and Michigan.) Some failures will occur for educational reasons, others because of management, governance, fiscal, or business difficulties. Although we view this prospect with equanimity, there is no denying that the public relations fallout may be heavy. Opponents are eager to exploit these cases as evidence that the entire charter movement is too risky. One might suppose, therefore, that states would be preparing for this eventuality. Yet we have not found a single jurisdiction with a well-formed plan for dealing with problem schools or outright failures (though several are beginning to address this issue). Few states even have an adequate monitoring program to pick up early warnings of schools in trouble.

What should be the stance of policymakers vis-a-vis failing or misbehaving charter schools? How much should they try to help? What interventions should they mount? What consequences should befall a faltering charter school? Should policymakers close it down? Place a warning sign on the door? Bail it out? Take it over?

Our approach to this problem involves two premises: First, public authorities have an obligation to prevent or at least minimize harm to children. (That includes both the harm that comes when one's school abruptly closes and the damage caused by attending a miserable school.) Second, like any other diverse, competitive, entrepreneurial undertaking, the charter school movement should expect failures as well as successes.

Each school may determine for itself which kind of student assessment tools to use–standardized, alternative, external, etc.–but the Secretary will insist that every school be able to provide credible evidence of the academic progress of students.

Massachusetts state advisory to charter schools

I get the same message loud and clear from each teacher: we've set world-class standards for all of you and we expect all of you to work hard to reach them.

Massachusetts student

Troubled Schools

Policymakers who agree with these premises should plan for two situations. One concerns charter schools experiencing problems that are serious but do not lead to immediate failure or shutdown and thus present some hope for correction. The other involves charter schools that, for whatever reason, fail and either abruptly close down or must be shut.

To minimize the risk associated with both situations, policymakers should implement an adequate monitoring program that provides early warning signals of troubled schools. Then, obviously, they should devise a strategy for dealing with such schools, mindful always that their foremost responsibility is to minimize harm to children.

A monitoring program need not be run directly by government. An association of charter schools, for example, a state or regional think tank, or even a university policy center might be an appropriate locus. Nor need such a program be complicated or burdensome, drowning infant charter schools in compliance paperwork. It may require little more than periodic conversations with appropriate school and community members, a phone number that people with complaints or worries can call, a close reading of each school's annual report, and a cycle of day-long site visits once or twice per year to every charter school in the jurisdiction.

If schools are not showing the progress agreed on in their charters, or if they show signs of severe organizational or financial problems, some sort of intervention should follow. Here are several versions:

- The school is admonished and given the opportunity to get its house in order within a specified time period. It may or may not need to change leadership to accomplish this, but such decisions remain within the school's authority. The charter

sponsor's role here is to diagnose the problem, fix a deadline for solving it, and probably offer some advice, including access to technical assistance. One can think of this as a kind of probation. Arizona's State Board of Education did this with several schools during the past year.

- The charter sponsor may intervene to change the charter school's leadership. If the existing leadership cannot get the job done yet shows no signs of changing itself, the sponsor may want to force such a change. That is what happened last year at Darnell E-Campus Charter School in San Diego, a K-5 elementary school with approximately 570 students. It experienced a number of problems, especially in governance and administration. The district intervened, removed the principal, appointed an acting principal, and gave the school until June to resolve nine problem areas, working with a deputy superintendent from the district. Sufficient progress had been made by June—including hiring a new principal—to warrant the district giving the school until January 1997 to request revisions in its charter and for the district to see whether the new leadership arrangements worked.
- Particularly if there is reason to believe that the charter school is about to collapse, leaving students stranded, the sponsor may intervene by turning to a successful charter school in the area—presumably one with a similar philosophy—and inviting it to assume responsibility for the troubled or failing school. This action would, in effect, create a "branch campus" of the successful school and create a basis for sustaining the formerly unsuccessful one. It is a form of receivership that, in effect, imposes new management on a faltering school. Such receivership could also take other forms, including sending an "interim school director" from the sponsoring body or hiring one from outside.
- We can also conceive of the sponsor "auctioning" the charter of the failed school to other responsible parties that would like to run it. (This is especially important in a state with a tight cap on how many charters there can be.) Bidders would not offer money but, rather, evidence of serious capacity to shoulder responsibility for such a school. The winner could assume immediate control over the school and be given the authority to restructure it in whatever manner it thought necessary.
- The most extreme form of intervention, of course, is the immediate shutdown of a school and the orderly transfer of its students to other schools. Because of the kind of resentment, hostility, and showdowns such a move is likely to raise—there is evidence of this in the growing list of school districts that states have taken over—so draconian a step should only be taken for serious misconduct or wrongdoing that threatens the health or safety of children.

Either we believe and act on the fact that these kids can learn to high standards or we don't. There's no in-between for me.

California principal

Teachers want you to learn and work hard at getting you to learn.

Massachusetts student

Policymakers and chartering authorities may well develop other approaches to intervention in troubled charter schools. Our purpose is not to argue for one

type of intervention over another. Indeed, we understand and respect the view of some state and local officials that charter schools should "sink or swim" in the educational "marketplace" on their own, with neither crutches nor punishments imposed from on high.

But surely it is naive for policymakers not to contemplate the possibility of a school that sinks so fast that its pupils are stranded, possibly in the middle of a school year, or a school that may appear to be "swimming" but is in fact engaging in inappropriate actions that cannot be tolerated in a public institution.

Therefore, we believe that the governing bodies that issue charters need to be prepared at least to save children in the event of school meltdown. We further believe that it is appropriate for them to adopt a "tough love" approach to failing schools: delineating areas in need of improvement, imposing deadlines, and, when necessary, intervening more directly.

School is the student's job and they need to learn how to work very hard and be very reliable at being students who come to school to learn.

California dean of students

Do not, however, read this as advice to place schools on life-support systems. We have already seen worrisome evidence of elected officials beginning to think of charter schools in their district like other "pork-barrel" projects, having to be kept going at all costs simply because they exist and constituents are involved. This is exactly the wrong way to think about charter schools—it destroys all vestiges of serious accountability—and it would quickly transform them into conventional schools that are assured money and students without regard to actual performance. This "keep it going at all costs" approach is tempting to some charter school proponents. It is a temptation that must be resisted.

The Charter School Contribution

Policymakers and education reformers who believe in school accountability should welcome charter schools as a long leap forward. The next step will be figuring out a viable means of transferring that concept of accountability into the world of conventional public schools. We encourage all who are keen to evaluate and hold charter schools accountable for results to bring similar enthusiasm to the task of holding all public schools similarly accountable. And we urge them to acknowledge the immense contribution that charter schools are making simply by being willing to be held responsible—and actionable—for what they do or fail to do.

We track students inch by inch and are always trying to figure out how to help them reach the academic standards we have for them.

California teacher

Federal Policy Issues

A small program providing federal financial aid to charter schools (via the states) was authorized in late 1994 and launched in fiscal 1995. It received $6 million in 1995 and $18 million in 1996. $40 million has been requested for fiscal 1997. It provides aid for a variety of purposes including planning, professional development, assessment, equipment and curricular materials, and even the possibility of a revolving loan fund (managed by the state) to help charter schools get started. The statute also creates a waiver authority by which schools can get relief from some federal regulatory burdens.

There is no doubt that the schools fortunate enough to receive these modest servings of federal aid ($20-40,000 seems typical) are glad to have the money and will put it to good use. In Colorado, for example, a half-dozen "core knowledge" charters have pooled some of their federal funds into a much-needed curriculum-and-assessment development project.

But targeted financial aid to charter schools is just one hill in the federal

mountain range. Many of the other peaks are taller. The truly consequential federal policy issues bearing on charter schools have to do with how much such schools and their students benefit from the major categorical aid programs—and how much they are handicapped by federal red tape.

We have not fully explored this mountain range—we hope to learn more in 1996-97—but we can offer several preliminary impressions and raise some concerns.

School performance objectives should reflect an emphasis on student achievement . . . [and] be clear, concrete, and measurable.

Massachusetts state advisory to charter schools

Most charter schools do not now appear to be getting their "share" of federal aid, notwithstanding that many enroll larger proportions of aid-eligible youngsters than do "regular" public schools.

There are many reasons for this, of which we can outline four:

First, the big federal categorical programs were not designed for schools like these. The most important among them—Title I, for example, which provides compensatory education for disadvantaged youngsters, and the Individuals with Disabilities Education Act, also known as "special ed"—were meant to be managed by school systems with sizable bureaucracies, including staff members at district and building levels whose primary duty is to manage these federal programs according to elaborate rules and procedures. (The Title I "manual" for participating school systems in Arizona, for example, is some two inches thick, and special ed is infinitely more complex.) Charter schools generally lack the specialized personnel and bureaucratic savvy to climb these federal mountains.

Second, most federal programs are intended to push and prod schools—through a combination of carrots and sticks—into doing things that Washington deems important, not to help schools do what they think is important. One might say without much exaggeration that the main thrust of federal education programs presses in precisely the opposite direction from the central thrust of the charter school movement.

The curriculum is better this year than last year because it has a more clearly defined academic structure. It was a bit mushy and missing some of the basics.

California parent

Third, the big federal programs were designed to treat some youngsters differently from others, usually distinguishing those with particular risk factors (poverty, disability, limited English proficiency, homelessness, etc.) from the general student population and focusing additional resources and services on those particular students. Yet most charter schools arise from a very different philosophy, typically treating every pupil in the school according to his or her unique circumstances (an individual learning plan for each youngster) or insisting that all students be treated exactly alike without any distinctions, classifications, or labels. Or both. One might say that a charter school and its students, taken as a whole, constitute a sort of "pullout program" vis-a-vis the local district, and that it makes no sense—and may well violate the school's own principles—to further distinguish among those youngsters according to categories created in Washington. Sometimes—we have particularly seen this in special ed—it is discontent with Washington's categories and procedures (or their state and district counterparts) that led families to the charter school in the first place. The last thing such a school should do is willingly recreate the circumstances its customers are fleeing.

Fourth, when it comes to distributing their money, most big federal programs (including Title I and special ed) operate according to formulas in which the funds do not follow individual eligible children to specific schools but rather are distributed to state and local education agencies on the basis of their total enrollments. This poses a clear problem for any school-of-choice that

attracts youngsters who would have been eligible for such aid and services had they remained in "regular" public schools. For such a school to obtain the aid and provide the services, it must negotiate with the local school system (or, sometimes, with state officials) for its "share" of the federal funds. Where a friendly relationship exists between charter school and school system or state agency, this system may work. But when, as is often the case, the basic relationship is hostile and combative, the practical effect of such negotiations is often to deprive the charter school and its pupils of at least some of the aid that should be their due.

Thus there seem to be both practical and philosophical barriers to full participation by charter schools in Uncle Sam's categorical aid programs.

That is not to say such participation does not happen. In 1996-97, for example, Arizona projects that approximately $1 million of its $96 million in federal Title I moneys will flow into charter schools. If, as expected, that state's charter schools enroll about two percent of its students—and assuming that their incidence of poverty and disadvantage is akin to the state's—it would seem that they will get about half the Title I money for which their pupils would otherwise qualify. (A second million dollars, evenly divided among Arizona's charter schools, would yield about $10,000 apiece, maybe the equivalent of half a teacher aide.)

We have also observed charter schools that are dogged and clever in dragging something like their full portion of federal (and state) categorical dollars from sometimes-reluctant bureaucracies. (As readers probably know, the management of most federal programs is, in effect, delegated to state education agencies.) We have talked with shrewd charter directors who have unearthed and reported wide discrepancies between federal dollars requested by their districts and the actual sums received by their schools. We also met well-connected charter board members who use their own contacts and influence to squeeze the next drop of categorical aid into their school or to persuade some regulator to wink at the school's heterodox way of operating the program.

These, however, seem to be the minority. We met more charter people inclined to throw up their hands in despair at the bureaucratic complexities and onerous requirements of federal programs that yield small amounts of money and risk violating the school's own educational vision. For them, the harvest is exceeded by the price of reaping it.

Would charter schools get more federal (and state categorical) money if there were less red tape? If the aid dollars came straight to the school rather than passing through bureaucratic layers at the state capital and then the district office? If they had greater freedom to reinterpret the program their own ways and run it according to their own lights? Certainly yes. But that does not mean today's charter schools are making great efforts to obtain the "waivers" that would make some of this possible. Most of them do not even bother asking. State and federal officials tell us that they have seen virtually no (federal program) waiver requests from charter schools. We can discern a quartet of reasons for this:

- **Ignorance.** Some charter principals are unaware of the possibilities for waivers or the procedures for seeking them. (Some of these procedures are quite new.) Local district administrators are sometimes glad to keep them in the dark. So, in some

Folks in the bureaucracy—both at the state and local level—are taken aback, are almost offended, and don't know what you mean when you tell them that charter schools mean they—the bureaucrats—aren't in charge any more.

State charter school liaison

When student, parent, and advisor agree that sufficient progress has been made on the learning expectations, the student completes a transitional project, or "passage," to demonstrate readiness for the next developmental level.

Colorado school handbook

Our goal is that the evaluation of student progress becomes primarily the responsibility of the student.

Colorado charter school brochure

I see no reason for states to charter public schools and burden them down with many or even some of the same rules that have killed most public schools. Charter schools are not the lite version of public schools.

California state legislator

jurisdictions, are state education officials.

- **Overwork.** As noted above, complicated waiver procedures are meant for bureaucracy-to-bureaucracy relations, not for navigation by a solo, harassed school head who must also counsel students, meet with parents, supervise teachers, buy computers, and balance the budget.
- **Futility.** Some of the most burdensome federal requirements—notably all those associated with disabled children—are off the table, essentially immune to waivers and exceptions.
- **Passive resistance.** We do not want to overstate the point, but it is our impression that more than a few charter schools prefer simply to do things their own way without advance permission from higher-ups. This is especially notable in bilingual education and special ed, where because the charter school's way of working with youngsters suits precisely those families that sought out that school because of discontent with the standard approach of regular schools, nobody complains. Because state and federal regulators are seldom disposed to kick dogs that don't bark, the charter school—so far—is able to do things pretty much the way it thinks they should be done without seeking any permission in advance save for the tacit consent of its own customers. From the school's standpoint—and that of its customers—the intent of the federal program is being satisfactorily carried out even if the methods differ.

This approach is risky. A few complaints could loose an avalanche of regulatory harassment and retribution. So could interest group activism on the part of charter enemies and the occasional impulse of high officials to gain notice by kicking a few sleeping dogs. Charter schools are thus vulnerable to the specter of creeping regulation. But we can understand why they would rather take that risk in the long run than jump through lots of extra hoops in the short run. Until and unless Washington policymakers come to understand that the basic precepts of their aid programs are inappropriate to charter schools and other forms of reinvented public education, this fundamental mismatch will persist.

Conclusions and Recommendations

Charter schools may be the most vibrant force in American education today. They are also a subversive influence with the potential to do great harm to the status quo and great good to children. Implicit in them is a fundamental redefinition of what we mean by public education and a profound alternative to the familiar bureaucratic monopoly. In the face of relentless attack by forces that find that prospect alarming, however, it is far from clear that the charter school movement will be allowed to get big and strong enough to demonstrate its full potential.

That is the first of two important cautions we must raise as we conclude this report. No one can say with confidence how large this movement may grow or how great a fraction of U.S. students charter schools may come to serve. There is probably some natural limit to the numbers of parents and educators who are willing and able to invest the time and energy needed to do something this arduous in return for so little monetary compensation. There are also unnatural limits imposed by stingy charter funding formulas, intense political opposition at the state and local levels, and charter laws so fraught with restrictions and conditions that it is scarcely worth trying to jump through all their hoops.

We do know that, where charter laws are relatively strong, the appetite to create and attend such schools significantly exceeds the numbers that can be established and enrolled. But we have no way of knowing whether that appetite would be sated if, say, 5 percent of all schoolchildren were charter students, or whether it would continue rising to 30 or 40 percent. A hint may be offered by the experience of England and Wales, where, eight years after the enabling statute was passed, a quarter of all secondary schools have "opted out" of the regular local governance structure and into what the British term "grant maintained" status, close kin to what we colonials call "charter" status. (The proportion of grant maintained primary schools is far smaller. Overall, about 4 percent of English/Welsh schools now operate this way.)

Our second important caution, of course, is that it is too soon to say anything definite about the educational effectiveness of charter schools as a whole. That is not a criticism, simply a fact of timing. They just have not been around long enough. Within our sample of thirty-five schools, eighteen were in their first year, twelve were in their second, four in their third, and one in its fourth year (this last is the oldest charter school in the nation). For those that have been around for at least two years, student results data are starting to surface and they appear promising. However, the number of such schools is still small.

Nor will their efficacy be the stuff of simple generalizations. Charter schools themselves are so varied, their educational goals so diverse, and their student bodies so dissimilar (and often sorely deficient in skills and knowledge when they enter) that conventional measures such as aggregate standardized test scores may conceal more than they show. Meaningful information about achievement gains and other results is apt to be school-specific; at best it may say something about the charter program of a particular state. (We have only the warmest of wishes for the federally funded project that is seeking to appraise

Public schools can't think of themselves as a one size fits all monopoly any more. They need to ask themselves what their families need and want and provide them with that, always making sure that it moves those families in the direction of being strong, contributing members of the community.

California charter founder and board member

Many Black leaders are realizing the great potential that charter schools have to offer. These schools mean that our children are not in the hands of the politicians any more; resources have now been put into the hands of teachers, parents and community members, not the state and local politicians and union leaders. We can now hire the staff, we can create the environment, and we can demand excellence of our teachers, students and parents.

Michigan community leader

the effectiveness of charter schools nationally, mindful that this assignment may prove unrealistic.)

We are not letting charter schools off the hook. We, too, crave rigorous, comparative data about their educational outcomes. But our year of fieldwork has sensitized us to the profound differences among them.

Nor does every such school look terrific to us just because it bears the charter label. These institutions are not immune to human frailties, to slipshod planning, to unanticipated crises and reversals of fortune. We have heard tales regarding some charter schools (not necessarily in our sample) that we would check out carefully before entrusting them with children we care about. We are not pollyannas about this.

For the most part, however, the charter schools we have come to know in the course of this study are heaven-sent options for their students, welcome professional opportunities for their teachers, bona fide educational assets for their communities, and, taken as a group, a genuinely promising reform development for their states and nation.

Here are five features that we especially like about them:

1. In almost every instance, a charter school is a small, even intimate place where everyone knows everyone else's names and recognizes their faces. It has a clear, focused mission that it can articulate and has the freedom to pursue that mission without unacceptable constraints and distractions. It is populated by people—teachers, students, parents—who chose to be there and who believe in the school's mission. Even before any summative test scores come in, we note that these are characteristics of most successful educational institutions. Walking the halls of U.S. charter schools, interviewing their teachers and pupils, and sitting in the back of their classrooms, we could usually sense learning underway. Of course, a school need not be labeled "charter" to possess these qualities. But they are qualities worth possessing. Relatively few conventional schools have them. Most charter schools seem to.
2. Charter schools offer havens to people who badly need and want alternatives to schools that have served them poorly. Viewed through the left lens of our spectacles—the equal opportunity and social justice lens—most charter schools are heavily attended by kids "at risk" (for any of a dozen reasons) of educational trouble in the schools otherwise available to them. The worst canard spread by opponents is that charter schools cater to privileged and successful youngsters. There is no denying that some charter schools, due to the demography of their communities, are attended by predominantly middle-class youngsters. But even in those settings, the families that seek out the charter school are those whose daughters and sons were not thriving in regular schools. In their own way, they, too, are "at risk." And even more charter schools—at least within our sample—serve primarily low income and minority youngsters. We also note once again that the political resistance to charter schools is hottest in big cities most heavily populated by such youngsters. Were it not for such opposition, there would be

more charter schools today in Denver, Los Angeles, Milwaukee, Detroit, Atlanta, and Boston. And there might be laws making such schools possible in New York, Philadelphia, and Cleveland. That is why it's especially tendentious for teacher unions and big city superintendents to fault charter schools for not serving the "neediest." If they would stop blocking such schools from starting, that is exactly whom they would serve.

3. We found genuine educational innovating going on in charter schools. To be sure, these aren't the only places where substantive innovation is happening in U.S. education, and we recognize that many charter programs are variations on familiar curricular and pedagogical themes more than real path-breakers. But often those "familiar" models are not in widespread use in conventional schools. And in at least one or two schools per state in our sample (which means at least a quarter of all the schools we visited), we encountered truly inventive ways of doing things: novel organizational arrangements, heterodox staffing schemes, unusual curricula, imaginative uses of technology (including "virtual" schools), and thoughtful returns to proven but neglected strategies from the past. If this were true of a quarter of all American public schools, we'd be in the midst of an educational revolution!
4. Charter schools establish a much needed prototype of accountability. We do not say they've got all their assessment ducks in a row. Some are a year or two behind where they should be in setting clear standards and tracking performance. But—now we are peering through our right lens—they are all already accountable in two very important ways. First, they can speedily be abandoned if they don't serve their customers in ways those customers wish to be served. And, second, they can be closed (or not renewed) by public authorities if they do not serve their communities in the ways they promised. That is why we're not much put off by the fact that some of today's charter schools are not perfect, that some will falter, and some will likely be closed. Would that this happened to more "regular" schools!
5. Charter schools serve the public in a different way, more like the voluntary institutions of "civil society" than the compulsory/monopolistic organs of government. They are anchored to their communities in ways more reminiscent of Horace Mann's day than of today's lumbering "system" bureaucracies. It is as if they had read Kettering Foundation president David Mathews's recent reflection (in *Is There A Public For Public Schools?*) on the importance of "rechartering" U.S. public schools:

   [W]e have to look to our communities first if we are going to make fundamental changes in our school systems or develop their greater capacity for continuous improvement. Public strategies for rechartering schools are ways of reconnecting them to the purposes of a community. These purposes become the

Let's face it. Most educators don't believe in an entrepreneurial anything.

California superintendent

> basis for contracts or charters in which communities commission schools to carry out certain mandates.... [W]hen people see that the schools are serving their purposes, they tend to see them as their schools.... [W]hen schools have an active and explicit mandate from the public, they are more likely to be orderly and excellent and communities are more likely to be well served.

That is what charter schools are about. As for why they show early signs of being better schools, community ties are part of the tale but not the whole story. Ernest L. Boyer began to get at some of the rest when, in the last piece he wrote (the foreword to *School Reform: Lessons from England* by Kathryn Stearns), he described the effects of the "remarkable shift in the balance of power" that has occurred in England in recent years as something akin to our charter school movement, shifting power from municipal bureaucracies to the schools themselves and to the individuals responsible for them. The result, Boyer found, is schools with "a new sense of energy and control, and of engagement in entrepreneurial activity previously impossible. The school itself can now deploy staff and resources according to its own priorities....School leaders exhibit a genuine sense of pride in their institutions and a collective commitment to the educational mission."

Isn't that what we want all our schools to be?

This on-line school follows me wherever I go or wherever I want to take it. I can be in constant touch with anyone. I don't have any excuse for not showing up.

California student

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Summary of Principal Policy Recommendations to Policymakers

Many of the following recommendations, directed primarily to state policymakers, may strike those who have spent time in the charter school world as obvious and commonsensical. Yet their accomplishment would take immense political stamina and will—precisely why they have not yet all been accomplished anywhere in the United States. Readers are urged to read the sections of the report that discuss each of these issues to understand both the complexity of the problem and the rationale for our proposed solution.

General Charter Policies

- Provide a nonlocal sponsorship option or a strong appeals process for charter seekers.
- Allow any individual or group or organization to submit a charter school proposal and do not require new start-up schools to gather signatures of those within the system.
- Make charter schools legal entities in their own right rather than part of local school systems.
- Set no (or very high) limits on how many charter schools there can be.
- Allow private schools as well as public to "convert" to charter status.

The Regulatory Burden

- Beware of enacting "Potemkin charter laws" that bestow the "charter school" label while withholding genuine educational, managerial, and fiscal autonomy.
- Keep charter restrictions and regulations to minimum health, safety, and nondiscrimination provisions. Automatically exempt charter schools from other state/local laws and regulations.
- Beware of "stealth" restrictions on charter schools built into other statutes and regulations—or interpreted by overzealous regulators as applying to charter schools.
- Spare charter schools and their teachers from union-negotiated "master" contracts.
- Allow noncertified people to teach (and perform other important roles) in charter schools.
- Allow charter schools to educate disabled (and other at-risk) youngsters as their parents and those within the school think best. Modify federal and state programs to provide such flexibility.

Fiscal Matters

- Provide start-up money for charter schools, perhaps through a state-financed revolving loan program.
- Tackle the capital funding issue so that charter schools can obtain—or at least borrow—money for facilities, renovations, and equipment.
- Give charter schools the same per-pupil operating funds (from both state and local sources) that conventional public schools receive.
- Make sure that charter schools (that wish to participate) receive the full amounts of federal and state categorical aid for which their pupils qualify. This includes making "the money follow the child" into schools, which portends major changes in some federal and state programs.
- Deliver these funds—from formula and categorical programs alike—directly to the schools, not through local districts.
- Straighten out the kinks in the channels and cycles by which cash flows to charter schools.
- Minimize finance-related paperwork for charter schools.
- Adapt school finance formulas to accommodate the distinctive enrollment and attendance patterns of charter schools.
- Recognize that a vibrant charter program is likely to cost additional money—but that this extra cost can be minimized by not double-funding students in both charter and conventional schools.
- Keep to an absolute minimum the fees and "overhead" charges that sponsors can exact from charter schools. Instead, allow charter schools to purchase desired services from those sponsors.

Academically, we really need to have this place work and we need to do it quickly. In plain and simple English; that means getting the reading scores up of all the kids here. That's how we're going to be measured in the short run. If we can do that, we'll have some time to do a whole lot of other things with these kids.

California urban principal

This school had the worst, the most negative reputation. Now people want to bring their kids here. We all believe that the buck stops here. We're the bottom line. We solve our own problems. It no longer takes weeks and weeks and weeks.

California charter school office manager

Accountability

- Conceive of charter school accountability as a triad consisting of standards, assessments, and consequences.
- Hold charter schools responsible for making reasonable progress in achieving the goals they set for their students, for sound fiscal management, and for general probity.
- Specify performance indicators that will yield suitable information about results in the charter context, and do not confine these to test scores.
- Balance the state's interest in holding schools accountable in uniform ways against each charter school's legitimate interest in being judged in a manner consistent with its unique mission.
- In reviewing charter proposals, look for those that intend to install school leadership with both educational and business expertise, and for signs of a well-crafted school governance structure.
- Make available ongoing technical assistance.
- Develop a range of approaches to faltering schools, balancing the need to intervene on behalf of children's well-being against the temptation to overregulate charter schools—or to maintain them on "life-support" simply because they exist.
- Tackle the methodological challenge of gathering data on charter schools in ways that are sensitive to their idiosyncrasies.
- Beware of studies and evaluations tainted by ideological biases and political agendas.
- Use the charter school model to develop ways of holding all public schools accountable for their results.

And Above All . . .

- Gather the political arsenal to enact strong charter school laws in states that do not have them, and to strengthen the existing statutes where they are weak. Charter schools are not a panacea, but early evidence indicates that, when given environments in which to thrive, they can be mighty good for the children who attend them and for education reform in general.

Appendix A

Appendix A
Key Characteristics of Charter School Laws within Participating States
(as of Spring 1996)*

State (year initial law enacted)	Arizona (1994)	California (1992)	Colorado (1993)	Massachusetts (1993)
# Permitted	district CS - no limit state CS - 25/yr each state bd.	100 (although state bd. has waived cap)	60 through 1997	25
Eligible Sponsors	any local sch. bd. state bd. of ed. state bd. for CS	the local sch. bd.	the local bd.	state secretary of ed.
Eligible Organizers	any public body, private person, or private organization	any individual can circulate a petition	any individual or group	≥2 certified teachers, or ≥ 10 parents, or any other persons or groups
Appeals Process	none; multiple sponsors available	yes; first to county-level appeals bd. & then to county bd. of education (which can grant charter)	yes; to state bd. of ed. (but cannot grant charter)	none
Blanket waiver from most state laws/regulations	yes	yes	no; may seek waivers	no; may seek waivers
Legally Autonomous	state CS - yes dst. CS - negotiated in charter	negotiated in charter	no	yes; organized as non-profit
Automatically Receive 100% of Formula Funding for Operations	state CS - yes dst. CS - receive dst. average per pupil	no; ave. dst. base and spec. ed. flows, but must neg. for categorical funds	no; but receives at least 80%	yes
Automatically Receive "Extra" Local Funding for Operations	state CS - no dst. CS - yes	no	no	yes
Automatically Receive Local Funding for Capital (e.g., Facilities $)	no	no	no	no
State/Federal Start-up Funds	initially $1 million state fund; now some federal CS $	initially none; now some federal CS $	initially none; now some federal CS $	initially Goals 2000 $; now some federal CS $
Teacher Certification Required	no	no	yes, unless waiver obtained	no
Teacher Contract Negotiations/ Collective Bargaining	may negotiate w/ dst. (if dst. sponsored); as separate unit; or not at all	may negotiate w/ dst.; as separate unit; or not at all	may negotiate w/ dst.; as a separate unit; or not at all	must negotiate as separate unit; or not at all

* Adapted from Mulholland (1996) and Buechler (1996).

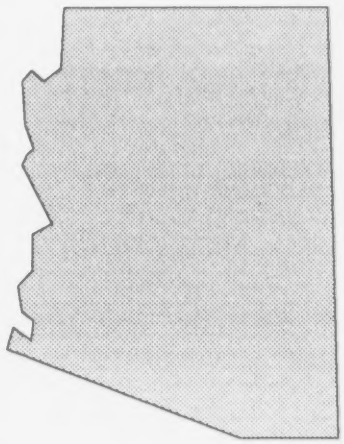
Appendix A (continued) Key Characteristics of Charter School Laws within Participating States (as of Spring 1996)*			
State (year initial law enacted)	**Michigan (1994)**	**Minnesota (1991)**	**Wisconsin (1993)**
# Permitted	local/intermediate dst & CC - no limit; univ. - 85 in '96, going to 150 in '99	40	no limit
Eligible Sponsors	local/intermediate dsts., public state universities, community colleges	the local bd or state bd upon appeal	the local bd
Eligible Organizers	any individual or entity	licensed teachers must operate, but anyone can initiate	any individual or the local sch bd.
Appeals Process	none	yes; to state bd. of ed. (which can grant charter)	none; except for CS groups in Milwaukee
Blanket waiver from most state laws/regulations	no	yes	yes for state; no for local bd. rules
Legally Autonomous	yes; organized as non-profit	yes; organized as non-profit or cooperative	no; except for CS in Milwaukee which may become autonomous
Automatically Receive 100% of State Formula Funding for Operations	yes, receive $ not to exceed amt in dst. of CS location	yes	no, whatever is negotiated
Autonmatically Receive "Extra" Local Funding for Operations	no	no	no; whatever is negotiated
Automatically Receive Local Funding for Capital (e.g., Facilities $)	no	no	no
State/Federal Start-up Funds	initially none; now some federal CS $	initially none; now some federal CS $	none
Teacher Certification Required	yes; except higher ed. sponsored CS may use higher ed. faculty	yes	yes; although a special CS certificate is available
Teacher Contract Negotiations/ Collective Bargaining	dst CS - must negotiate w/ dst.; all others may bargain as separate unit, or not at all	must negotiate as separate unit, or not at all	may negotiate w/ dst., or as separate unit

* Adapted from Mulholland (1996) and Buechler (1996).

Appendix B
State Case Studies

Arizona

Arizona's charter program is off to the fastest start in the land. It was authorized by the legislature in the early summer of 1994, and applications were due that fall for schools to open in 1995. Dozens poured in and, by autumn 1995—the program's first operational year—51 charters had been issued and 46 schools were operating. Forty-two of them were sponsored by the two state boards that have this authority and four by local districts, which have concurrent charter-sponsoring authority but were initially more reluctant to use it. During the past year, Arizona's charter schools enrolled about 6,000 pupils, nearly one percent of the state's students.



Even as we visited these schools, applications were gushing in for more to open in 1996. In excess of ninety "letters of intent" were filed, of which sixty-seven turned into actual applications to the state boards. By late May 1996, forty-one of these had been approved at the state level, and we assume that nearly all will begin operations later this year. Nearly a dozen more charters have also been issued by local boards, which are now warming to the idea—and several of those boards are becoming entrepreneurial about it, including the sponsorship of schools elsewhere in the state. (The licensing fee that some of them charge charter applicants, while ethically questionable, can bring a tidy little addition to district revenues.)

This means that Arizona will likely have 105 to 110 functioning charter schools in 1996-97, the program's second year in the Grand Canyon State, which rivals far-more-populous California (whose program will be in its fourth year). It should also be noted that, unlike other states in our sample, Arizona has at least a dozen charter schools that operate on multiple sites. State officials currently project about 15,000 charter students in the coming year, about 2 percent of total enrollments.

We were working 14 and 16 hours a day in July and August.

Charter head on getting school ready to open for its first year

In view of this extraordinarily rapid growth in the state's charter program, nobody will be surprised to learn that Arizona has perhaps the strongest—some would say most permissive—charter law in the land. Key features include: multiple chartering authorities (beginning with two state-level bodies that are warmly disposed to charter schools); a reasonably generous "cap" on how many charters can be issued (50 per annum by the state boards, no limit on local boards); full per-pupil operating funds (albeit at Arizona's modest level of school spending); a minimal regulatory burden; and uncommon flexibility in terms of who is eligible for charters, including public schools, formerly private schools (so long as they are secular), nonprofit organizations, for-profit firms, individuals, and so forth.

There's a lot we don't know about the budget.

Teacher on feeling excluded from board decision-making

What is more, a strong law got stronger as the legislature revisited it during 1995-96, extending charter terms to 15 years; giving the schools ownership of their assets, including those bought with state funds (meaning they will have some collateral for private loans that have heretofore been hard to

obtain); lightening several regulatory burdens; and simplifying some fiscal arrangements.

This favorable climate has fostered a remarkably diverse array of charter schools. Our sample alone contained an Indian reservation school, a Waldorf-flavored school that arose from a private preschool, a school begun by a boys and girls club, a school created by a Hispanic community development corporation, and a multi-site school for dropouts and ex-offenders. No two of the schools in our sample much resemble each other, and none of them is much like a conventional U.S. public school. Yet we have by no means ridden all the fences of the Arizona charter program.

We stopped advertising in July because we didn't want to disappoint people.

Charter leader on school's surfeit of applicants

This same openness has produced a bit of a "wild west," almost-anything-can-be-tried feel to the Arizona charter program. That, combined with the program's remarkable growth, has caused problems that the state is still trying to work through. The program has cost more than expected—a total of about $40 million in 1995-96, for example, including the costs of youngsters who previously had not been state responsibilities (e.g., kids who were home-schooled, attended private schools, or studied in Native American schools funded by the federal government). Moreover, while the vast majority of Arizona's fledgling charter schools appear to us well-conceived and sure-footed, a few—and naturally the most visible—have had serious fiscal and organizational problems. Three situations seemed especially worrisome during 1995-96:

√ In addition to operating funds, Arizona charter schools are eligible for state aid for student transportation. Strapped as they are for money, many sought to maximize that aid, and, because of a complicated dual interpretation of the pertinent laws, some schools garnered huge sums from the transportation fund. Even if they did this within a legitimate reading of the law, the situation looked exploitative as well as expensive. Whereupon the state moved to clarify the transportation funding arrangement and asked schools that had received excess moneys to return them. Because doing so would have dealt a crippling financial blow to some Arizona charters, the legislature reworked the formula so as to ease the fiscal burden—but only this once. Then it fixed the transportation reimbursement amount for next year at a uniform level that seems generally reasonable but will pose a significant financial obstacle to a few schools that, for idiosyncratic but valid reasons, incur unusually high transportation costs.

This neighborhood doesn't take quickly to new things.

Charter leader on why school had to recruit more broadly than planned

√ The state Auditor General found several charter schools to be handling their funds badly: from sloppily to reprehensibly. Meanwhile, one of those schools almost closed because it ran out of money. (At the last moment, it obtained a private loan to tide it over.) The State Board of Education came close to revoking a couple of those charters but, after public hearings, decided instead to put the schools on a sort of probationary status to see if they can clean up their fiscal acts. It is still possible that one or more will fold for fiscal reasons. This, too, was highly publicized, wounded the charter program's reputation, and gave its enemies new weapons.

√ One school—not in our sample—found itself in organizational chaos as its leadership team fell apart and factionalism ensued. By year's end, most students and teachers had left for an unfunded and unofficial breakaway school, said to be operating in a church basement. Others stayed with the original charter holder, who hired substitutes and temporary staff. (A troubling wrinkle in Arizona law provides that the entity holding a charter need not be the same as the school's governing body.) This is the nearest thing we saw anywhere in

1995-96 to a school folding midyear and stranding kids. But that didn't quite happen.

In fact, none of these worrisome situations produced educational catastrophes for children. Though none of them was pretty to watch, none proved fatal. And, as we have already noted, most of the flowers in this state's charter garden are blooming. (Of course, one is far less apt to read about these successful schools in the morning paper.)

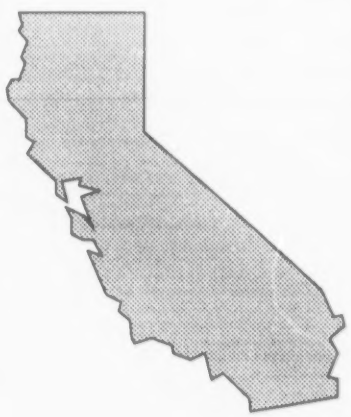
My class is slightly smaller than in the public schools, but not small enough.
Teacher

Arizona also has had its share of generic charter school start-up problems, much as we found in other jurisdictions: generally low spending levels combined with state appropriations that underestimate the charter population; a funding formula that pays for enrollments as of certain fixed dates that are poorly suited to new schools with volatile or rapidly rising attendance; an irregular payment schedule that creates cash flow panics for precarious new schools; no access to capital funds or facilities; some red tape that did not get waived; vagueness about how to appraise educational success; ambivalence as to whether the state's proper stance toward charters is Darwinian or nurturing; and so on. But none of these has posed an insurmountable barrier to the establishment and successful operation of charter schools in the state, and they are generally offset by significant Arizona charter assets: political leadership that is almost unanimously positive toward these schools; comparatively weak (though dogged) "establishment" opposition; a state education department that generally seeks to support rather than flummox the schools; a well-functioning charter school association; a booming population base; and what might be termed a culture disposed to let people and institutions be different, do things their own way, and look after their own affairs with minimal interference (or help) from others.

He saved the school's butt.
Parent on how charter school's board chairman raised supplemental funds

California

In 1992, California became the second state in the nation after Minnesota to enact charter school legislation. The Golden State's law—in part a defense against passage of a private school voucher ballot measure—was introduced by Senator Gary K. Hart, a Democrat from Santa Barbara who chaired the Senate Education Committee for eleven years and retired from the state senate in 1994. He was a former teacher and longtime proponent of education reform, and now serves as director of the Institute for Education Reform at Cal State, Sacramento.



In theory, the California law is moderately strong, because it gives charter petitioners the right to seek significant autonomy from local board control. Further, there is a blanket waiver from most state laws and regulations. An important part of the waiver provision frees schools from having to hire only certified staff.

On the other hand, the law caps the number of charter schools at 100 statewide with no more than 10 in any one school district. (Recall that giant California has over 7,300 public schools.) This downside has been mitigated by the fact that the State Board of Education—using its broad waiver authority—has approved charters in excess of the 100 school cap. It has exercised this authority to the considerable consternation of charter opponents.

While charter schools can enroll students from anywhere in the state, any that result from "conversion" of an existing public school must give preference to students residing in the school's attendance area. Charters can be granted for up to five years, with renewals for five-year periods.

This law has inspired a lot of charter activity, some of it quite inventive. At

this writing, there are 109 authorized charter schools in the state, 89 of which were in operation during 1995-96. Their 36,308 students comprised barely half of one percent of the state's 5.4 million students. School size varies enormously, with some home study programs having scarcely twenty students while other schools enroll more than 1,000 students.

California's charter schools come in three main varieties. Thirty-eight are former "conventional" public schools that converted to charter status. Thirty-five are new or start-up schools. And twenty-three comprise "independent study" programs: nonclassroom-based individualized instruction programs that take a variety of forms, including home-based study and work study. (The remaining thirteen charters fall into several other categories, including those that decided not to proceed with actually opening a charter school.)

California's charter schools are the creation of communities, not bureaucracies.
State policy maker

The intersection between California's charter law and its provision for independent study has produced some especially interesting school variations, including on-line charter schools—two of which are in our sample—that draw students from around the state who log onto electronic classrooms.

The on-line and independent study charters have caused some controversy. For example, some families that home-school their children have joined together to create home-school charters using both the independent study authority and on-line methods for delivering instruction.

In my younger days, I was a Berkeley radical. Today, I'm a charter school radical. The reason for both decisions is the same: I think people should use power to create communities that meet real human needs—in this case, the needs of families and kids.
State policy maker

Although this seems to us a plausible and even desirable educational strategy, some people object to it. Some also fret about (while others try to exploit) the possibility that linking on-line instructional methods, home-schooling, and the state's independent study authority can create hefty new revenue streams for school districts. Money for on-line students follows them into whichever district sponsors the charter school. And a single independent study teacher may supervise fifty students with the district incurring little or no capital cost. That does not mean that there is no accountability for such schools, however. Charter proponents point to their obligation to produce evidence of academic achievement as a condition of retaining the charter.

California holds the distinction of having the first charter school failure (and the only one to date) in the country. In late 1994, the Los Angeles Unified School District revoked the charter for Edutrain after auditors found evidence of financial mismanagement and other problems.

Charter opponents quickly seized on this example to argue that the freedom given to charter schools makes them more likely to be victims of schemers and charlatans intent on fraudulent ways. On the other hand, charter proponents say the system worked as it should because the school was held accountable for its actions. In this instance, decisive steps were taken far more rapidly than one typically observes in regular school systems with misbehaving schools.

Those with whom we spoke who have navigated the shoals of the California charter seas generally focus on four major problems: limiting the charter approval process to local boards and the high cost in school autonomy that this often exacts; the difficulty of reversing negative decisions by those local boards; the teacher petition process; and applying inconsistent interpretations of the charter school law to operating schools. Let us examine each briefly.

Local Approval and Questionable Autonomy

There is a major hitch in the California charter approval process. Since the primary approving authority is the local school board, those seeking charters

find themselves in a "catch 22" situation: negotiating with those from whom they seek release. The result is that many who have sought financial and educational autonomy have been turned down by local boards that view such requests as tantamount to secession. Moreover, local boards usually find themselves under heavy teachers' union pressure to deny charter requests or impose burdensome restrictions on any that they grant.

Either a long battle ensues or the charter petitioner agrees to give up significant autonomy, usually on the financial side. After having struck such a Faustian bargain to gain charter approval, the school later finds itself condemned to living under a pile of district regulations and collective bargaining restrictions that bring with them considerable bureaucratic harassment and limited freedom.

In short, this awkward approval process often obliges a charter applicant to forfeit real autonomy, especially in fiscal matters. Though the school may gain considerable freedom to shape its educational program, it may not be able to make the resource allocation and personnel decisions that would enable it to implement that program satisfactorily.

For example, one school in our California sample has a charter approved by a local board that says the school will assume primary budget and financial management authority. But interviews with senior district officers and school board members made it clear that this was not occurring and was unlikely to occur. Why? In the words of a system budget officer, "We're the professional bookkeepers hired to keep all the schools out of the kind of legal trouble that they'd create if they were on their own, especially when it comes to finances in general and personnel matters in particular. The folks at that school want it to be like a private school when it comes to finances and personnel. They're great teachers and they're great with kids, and that's what should occupy them." People at the school confirmed that this is what they hear from district officials on a regular basis.

In short, the California charter program can sometimes produce the appearance of autonomy without the reality, and all of this can be traced back to the central role given to local boards in approving charter schools.

On the other hand, some of the most autonomous and entrepreneurial schools we have seen anywhere are California charters that have obtained true autonomy and are using it to great advantage. For example, Fenton Avenue Charter School in Los Angeles has direct control of almost 97 percent of its nearly $5.2 million budget for over 1,270 students and a teaching staff of 49. Joe Lucente, the school's executive director, praises "the flexibility we now have to make fast, economical decisions on what we know needs to be done that often ends up saving the school thousands of dollars. For example, the district wanted $5,000 to install and repair light fixtures while a local contractor did the job for $1,475. We've got a list of items like that."

The charter legislation has given us in the minority community the power to control and change schools, the power to take schools back after years of failure brought on by those who were well-intentioned but naive about integration and busing.

African-American community organizer

Closing Edutrain sent a strong and clear message about the importance of charter school accountability. Now we've got to apply that message equally to the rest of our public schools.

Los Angeles Unified district policymaker

Awkward Appeals Process

California has a cumbersome and time-consuming process for appealing a local district's rejection of a charter petition. Those who have had their charter request denied can ask their County Superintendent of Schools to assemble an appeals panel. If that panel finds just cause, it can instruct the local board to rehear the charter petition. A second refusal can lead to review by the County Board of Education, which may itself grant the charter and serve as school sponsor. This tortuous process has led to only one charter, however, granted by

Alameda County after the Berkeley Unified School District had twice rejected a charter application.

Teacher Petition Process

The third problem with California's charter law is its requirement that charter petitions be signed by half of the teachers at a school or 10 percent of the district's entire teaching staff. This provision may make some sense at conventional schools that are converting to charter status. But it arbitrarily excludes others like parents and community members—even a school board acting in unison or a group of classified education employees—who may have a valid interest in creating a charter school. It also makes no sense in new schools that start from scratch (imagine trying to gather signatures from 10 percent of the teachers in a district the size of Los Angeles).

The district agreed to grant us fiscal autonomy on paper but they frustrate the process of getting that autonomy at every turn in the road. They just don't want to give us control.

Principal

Uneven Applications of the Law

The final problem concerns the ways the state Department of Education has interpreted the charter law and other statutes that affect charter schools. Many believe these interpretations differ from the original intent of legislators responsible for formulating the law. In one egregious situation (concerning HIS Charter School in Lincoln) that lasted for nearly two years, both the State Attorney General and the primary author of the disputed state law disagreed with the Department's cramped interpretation. This dispute has now been resolved in the school's favor. But there are other examples of the Department's moving to limit the autonomy of charter schools, including telling county boards that they do not have the same latitude as district-sponsored schools under the charter statute.

Charter supporters have tried to amend the law to deal with these and other problems. This year the legislature considered thirteen amendments to the charter law. This flurry of activity came from several sources, not least the GOP takeover of the state Assembly and the formation of a coalition between the Republican majority on the Assembly Education Committee and Democrats who support the charter movement. Several of the proposed amendments were approved by the Assembly, including one lifting the cap on the number of schools. But as of this writing, none has survived the Senate Education Committee, controlled by the Democrats.

Studies

The sheer number of charter schools in California has drawn the attention of people interested in tracking and studying the charter movement. Several reports on them have been issued by in-state groups. One of the more recent controversial reports was a product of WestEd, a federally funded "regional educational laboratory." Among its sometimes-bizarre criticisms of charter schools is that they expect too much involvement by parents (e.g., volunteer time, homework supervision, fundraising) that could deter weak families, single parents, and the like. But the data we present in this report provide strong evidence that such families are precisely the type of "clients" that charter schools tend to attract. Moreover, most charter schools are ingenious in finding ways for all types of families and parents (or other family members, even friends) to fulfill any commitments that the school expects.

Another, more favorable report was issued after an eight-month study by the

state's "Little Hoover Commission," an independent oversight agency created in 1962. Its recommendations included eliminating the school cap; funding charters directly from the state rather than through local districts; recognizing charter schools as separate legal entities; creating alternative sponsors and swifter petition mechanisms; and clarifying the funding base for charter schools.

In recent months, the State Department of Education has moved to handle more consistently some of the controversial issues that have arisen. It has even proposed a pilot direct-funding program whereby charter schools could receive operating funds directly from the state as if they were school districts—though some argue this can be done only if the legislature appropriates money to create a new fiscal accounting system.

Meanwhile, the California Network of Educational Charters (CANEC)—a statewide nonprofit association of charter school supporters—continues to grow in stature and influence. Founded in 1993, its third annual meeting (in March 1996) was attended by nearly 400 people.

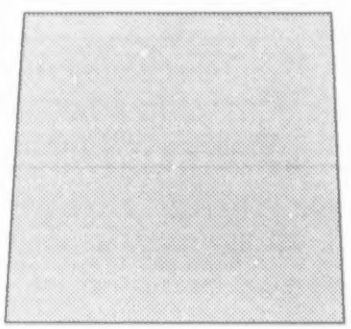
Overall, California's charter schools and those who support them are working hard to create a new breed of public schools for the Golden State, despite strong opposition from establishment quarters. The concluding sentences of the Little Hoover Commission report bear repeating: "...[C]harter schools are a positive force in today's education system. There is no claim that the charter school movement is a panacea for all of the ills of public schools. But it is a powerful tool that is unleashing creative energy. The beneficiaries are California's children."

Staff at the [California] state department of education continue to think the bureaucrats know what's best for each and every school.

State policy maker

Colorado

Colorado's pioneering charter program was in its third year in 1995-96 with twenty-four schools up and running. At least ten more are expected in 1996-97.



Colorado is also (with Minnesota) a vivid example of a state in which essential chartering decisions are made by local school districts—and the schools must maintain a long-term relationship, whether cordial or hostile, with their districts—but there is a reasonably well-functioning process for appealing adverse local decisions, in this case to the state board of education. That board has been as well-disposed to the charter program as most local school systems have been opposed. This situation creates the fundamental political dynamic of charter schools in Colorado today.

The current schools are remarkably varied in originating impulses and educational philosophies and they can be found all over the state, including tiny rural communities, small cities, and Denver's sprawling suburbs. But the continuing animus of the Denver school board means there are only two charter schools—both special cases—now operating within the state's largest city. As of fall 1995, Denver had rejected 12 charter applications, and other prospective school founders were discouraged from even applying.

The program has enjoyed bipartisan support in the legislature and important boosts from Governor Roy Romer and a network of charter—encouragers that includes the Gates Foundation and the Colorado Children's Campaign. It has benefited from a supportive State Department of Education and an adept and enterprising charter school association. But it has also encountered plenty of opposition, mostly from the usual "establishment" organizations and their acolytes in the legislature.

As enacted in 1993, the Colorado charter law may be termed medium-strong.

Compromises made to get a bill through embedded some problems in the program that have mostly not been rectified. A charter improvement bill cleared up a few in 1996 but not the most vexing. Key difficulties include:

√ Local control of most charter decisions leaves both prospective school founders and operating schools vulnerable to a variety of assaults, frustrations, and rejections at the hands of school system administrators and boards. The state board of education has been flooded with appeals from aggrieved charter-seekers and school operators, and it often finds in their favor. But it has no sure way to make local districts comply with its decisions and a resolutely hostile local superintendent or board can find a hundred ways to make life hard for a charter school. In one celebrated Denver case, the local board has steadfastly spurned the state board's order to issue a charter to the Thurgood Marshall School. Since the state board cannot issue a charter directly, the result is stalemate and litigation. Moreover, while the process was simplified a bit in the 1996 reform bill, appealing to the state board remains a big deal, complete with formal hearings, adversarial procedures, a lot of paperwork, and considerable delay. This is probably the main reason Colorado has relatively few charter schools today.

Two hard-headed boards locked in a power struggle.

Parent describing relations between charter board and district board

√ Instead of full funding, a major compromise in the Colorado law established the fiscal floor for charters at just 80 percent of the "per pupil operating revenue" (PPOR) of the local school district. Although this can be, and often is, negotiated up to something closer to parity, many charter schools are trying to make ends meet at 80 to 85 percent of the operating money available to ordinary public schools. (In most of Colorado, the *regular* schools must cut corners to stay within their budgets.) Nor are there any start-up funds provided by the state, not even loaned moneys.

√ The discretion granted to local districts to haggle over essentially every dollar that charter schools receive invites ceaseless acrimony and confrontation. If the amount were fixed in law, district and school would not spend so many hours wrangling over everything, wrangles that feed the abiding animosity that characterizes these relations in much of the state. We also sense that disparate funding for charter schools—the simple fact that most of them do not get as much money per pupil as district schools—fosters other troubles. Anyone trying to make comparisons between the two kinds of schools, for example, will encounter an apples-and-oranges problem. Charter people will find it too easy to ascribe any school shortcomings to unequal funding. Districts will (and already do) claim that charter schools create all manner of hidden costs for them. (A couple of Colorado communities have demonstrated that it is possible to allocate and account for all the costs of both charter and "regular" schools, but most prefer to keep such calculations inside the black box of district budgets.)

These charter people are messing our system up.

Charter head on how his school is viewed by district administrators

√ Here, as elsewhere, no provision has been made for capital funding, meaning that many charters must also stretch their meager operating funds to cover the lease of a facility. Unless the schools bring private resources with them (as one or two have done) or can work out a special deal with the local district (to borrow a building, for example, or get a sizable advance on funds-payable), they are sorely strapped for funds for facilities and other major up-front costs such as equipment, furniture, and computers. This has yielded some creative solutions—such as one school's all-but-completed deal with an office park developer to lay out the construction funds—but such windfalls cannot be counted upon. Moreover, in defiance of the spirit of the charter law, some

districts are devising roundabout ways of making charters pay the equivalent of rent (such as by giving them a lesser share of PPOR if they use a district building). Due to these capital woes, many Colorado charters–including four of the five in our sample–are trying to make do with temporary buildings or cramped, aging, and awkward facilities. (The fifth school in our sample occupies a fine facility provided by the private foundation that operates the school.)

Despite such handicaps, Colorado's charter program continues to grow and the schools that successfully navigate the minefield are generally quite strong. Most have waiting lists. And a growing (though still small) number of districts is warming to the idea of charter schools, if only as a way to ease the pressures of rapid enrollment growth and dissident parents. Jefferson County may have five charter schools by fall 1996. Douglas County is something of a national model of mature relations between a school system and its charter schools. A couple of districts—notably including Denver—are even ruminating about starting charters of their own.

We thought that with some extra help, they could turn it around.

School system charter liaison

Colorado's charter schools are also innovating in interesting ways. For example, half a dozen of the "core knowledge" schools have joined together (and pooled some funds) in a much-needed curriculum-and-assessment development project. Under the aegis of the state's League of Charter Schools, they are working at data-gathering and school-site evaluation. As we write, the State Department of Education and Jefferson County schools (joined by the Colorado Education Association, the League of Charter Schools and our very own Hudson Institute) are planning a national charter school "summit" for September.

We see four flies in the Colorado ointment. First, the aforementioned dependence of charter schools on their local districts creates too many opportunities for conflict and causes the schools to devote too much energy to this kind of damage control. One school in our sample was given only a one-year charter (and that only after the state board intervened), meaning that even while the school was trying to solve the inevitable first-year start-up problems, it was also having to engage in near-constant negotiation over its very existence. Another school was in unrelenting conflict with its district over funding. A third enjoyed what might be termed correct-but-thin relations. (So heedless is its school system that nobody notified the charter principal of a district-wide "in-service day," though this school depends for transportation on district buses and therefore must follow the district calendar.) Although the other two schools in our sample have generally decent relations with their districts, it seems to us that the basic Colorado arrangement encourages hassles and siphons into them too much of the energy that should go into teaching and learning.

Generally amiable, but we fight for every dollar.

Charter head on relations between his school and local system

Second, the fiscal challenge faced by these schools remains daunting. A number of them are barely squeaking by financially. That includes below-average salaries for teachers and other staff. Several of our interviewees asked how long this can realistically continue; i.e., for how many years will really good and dedicated teachers tolerate lower-than-average pay levels? (Colorado's charters currently benefit from a teacher surplus in most fields.)

Third, charter schools here seem to have more frequent "governance" problems than their counterparts in some other states, with principals being replaced by disgruntled boards, school staffs frustrated by excessively intrusive boards, that sort of thing. Such tensions have arisen at one time or another in

three of the schools in our sample, and we are aware that a number of other Colorado charters—some observers estimate more than half—have also experienced them. We suspect that some of these internal governance problems mirror the external tensions between school and district. But not all. In several communities, charter-seeking parents have themselves fallen into factional disputes and personality clashes. It should be noted, however, that for all the thunder and lightning, every Colorado charter that has opened its doors has been able to work its way through such problems and continues to serve students and communities.

Fourth, Colorado's charter schools are absorbing uncommon numbers of youngsters who have had serious trouble in other schools and for whom the charter represents a "last chance." Some have learning disabilities. Others are troublemakers, discipline problems, dropouts, kick-outs, kids with rotten home situations, etc. This means that many Colorado charters are finding themselves—sometimes to their surprise and occasionally to their dismay—in the role of "alternative schools" rather more than "schools of choice." Some schools fret that they may be nearing a point where the enrollment of kids who *need* an alternative begins to drive away the kids who simply *want* a different educational option.

The first two of those flies could be swatted by state policymakers. The third could be eased by statutory changes but is apt to remain as long as strong-willed and contentious people seek to launch and lead charter schools. The fourth is a curious, captive-of-their-own-success phenomenon wherein the schools' very attractiveness to hard-to-educate youngsters may actually make it more difficult for them to fulfill their original educational missions, which are the missions by which they have said their success should be judged.

Massachusetts

Charter schools in this state have given parents the kinds of educational choices that used to be reserved for the elite few.

Elected state official

Truth be told, few supporters of charter school legislation in the Bay State expected the legislature actually to pass such a bill in 1993. But an unexpected confluence of political and education issues and a miscalculation by the state's teacher unions led to a charter measure being included in the 1993 Massachusetts Education Reform Act.

The bipartisan political forces supporting charter schools included (Republican) Governor William F. Weld in league with longtime (Democratic) Senate President William M. "Billy" Bulger and (Democratic) Senate Education Committee Chair Thomas Birmingham, with one senior state policymaker calling Bulger "the real outspoken champion of charter schools." Fierce opposition arose in the Democrat-controlled House, however, where most members were under heavy union pressure to vote against any charter proposal (though the Education Committee chair was personally sympathetic to the idea). The House handily defeated a charter proposal. Thinking this provision was dead, the union-led opposition focused its attention on other issues in the Reform Act.

But outside pressure to pass a charter bill mounted from two directions. One was the Pioneer Institute, a Boston-based policy research institute. Its former co-director, Steven F. Wilson, by now on Weld's staff, had written a book—*Reinventing the Schools: A Radical Plan for Boston*–that advocated the creation of entrepreneurial schools, freed from regulation but accountable for results, much like charter schools. The other group was "CEOs for Fundamental

Change in Education," led by retired State Street Bank president William S. Edgerly and made up of over 100 business leaders. They, too, wanted more than a "business as usual" approach to school reform, something bolder and more market-driven.

When the charter issue resurfaced in House-Senate Conference Committee, the unions, in the words of a senior state policymaker, "made a major miscalculation when they ignored it, thinking it would go away because they had some powerful House members opposed to the charter legislation." In the end, the Governor and Senate leaders, with major support from Pioneer and the CEOs, held firm and triumphed. (It didn't hurt either that the larger Reform Act sweetened the deal by promising a $1.3 billion increase in state aid to districts over seven years.)

I finally know what it means to be an "empowered teacher." I can set high expectations for my kids, design my own curriculum, pick up my own texts. . . . I'd be crazy not to want to work here.

Teacher

The Statute

Though far from perfect, the Massachusetts charter law turned out to be one of the stronger in the nation, primarily for five reasons.

First, it permits almost anyone to apply for a charter: two or more certified teachers, ten or more parents, or any other persons or organizations, including for-profit groups.

Second, charter schools are not obliged to hire only state-certified teachers.

Third, the State Secretary of Education—and only he—has the authority to grant charters, entirely by-passing local school committees, which are generally not known for their willingness to cede autonomy and control to new players, especially those that look like rivals.

Fourth, charter schools in Massachusetts are legally autonomous. This means, for example, that teachers are employees of the school, not the local district, and the schools are free from all bargaining agreements. Finally (as amended in the 1995 budget act), funding flows from the state directly to charter schools, bypassing the local school system's fiscal procedures and dilatory tactics. This pretty much assures charter schools meaningful financial autonomy. They receive an average of all local and state funds and are eligible to receive federal funds.

On the downside, the law also limits the number of charter schools to twenty-five. That is not many in a state with 1,800 schools. (A recent effort to lift the cap failed in the legislature.) Another limit holds the number of students who can attend charter school to just .75 percent of the 860,000 students now enrolled in public schools—about 6,500 children in all.

Further, there can be no more than five schools in Boston and Springfield and no more than two in any other city. On the regulatory front, there is no blanket waiver from state regulations, though individual waivers can be sought from the state. Finally, the law does not allow any private schools, even nonsectarian schools, to convert to charter schools.

In the Boston area, the best and the brightest from all over the world come to be educated intellectually and culturally. But look at the schools we have for our young people. We wanted to change that with our charter school.

Founder

The Schools

The charter program got off to an impressive start in 1994, with the Secretary of Education receiving 65 charter applications in one day. Overall, the Executive Office of Education has received 123 applications to create charter schools.

The first 15 schools opened in 1995, eight more are scheduled to open in 1996, and two in 1997. That means all 25 charters permitted under state law have been issued. Six other applicants have been approved for charters, pending

I used to be able to slack off quite a bit in my former school. Not here. They don't let you. They're always challenging you to reach new heights.

Student

Don't tell me urban minority parents don't care. This charter school has given these parents an opening, an option, and they're taking advantage of it.

Principal

I like the staff's high level of integrity and no-nonsense approach to education.

Parent

legislative action to lift the cap. We have no doubt that a looser cap would bring more applicants and more approvals.

In 1995-96, nearly 2,600 students were enrolled in charter schools, with 1,800 more on waiting lists. For 1996-97, enrollment is projected to grow to around 5,600 students, with at least 3,200 still in the queue.

Enrollment data collected by the state and by Pioneer Institute show that 48 percent of charter school students are minorities, while the state average is 21 percent. Charter schools also have a higher percentage of African-American and Hispanic students than the overall Bay State pupil population.

According to a Pioneer Institute survey, the primary reason cited by parents for choosing a charter school is the quality or character of its educational program. Nearly 80 percent believe their overall experience with them is superior to their past experience in noncharter schools.

All but one of the Massachusetts charters are for new schools, started from scratch. They are remarkably varied in size, organization, and education strategy. Diverse groups have initiated them, including civic organizations, parents, teachers, a community college, and a university.

This fall, two for-profit groups—Sabis International and The Edison Project—will have two schools each in Massachusetts and Alternative Public Schools will manage the Chelmsford Charter School. This means one-fifth of the state's charter schools will be managed by for-profit companies. Nowhere else in the universe of charter states has such a large percentage of for-profit firms been so involved in charter schools.

Charter support

There have been two major sources of technical and financial support for Massachusetts charter schools.

The first has been at the state level. Rather than being relegated to the state education bureaucracy, responsibility for the charter program was given by law to the Secretary of Education—an appointee of the Governor—and the small agency he oversees, the Executive Office of Education. That office worked on a number of fronts to ease the launch of charter schools. Efforts included small but helpful start-up grants, initially using Goals 2000 money and now using money from the federal charter school grant program. An especially innovative feature of state assistance has been on the facilities issue, using the Massachusetts Development Finance Agency (formerly known as the Massachusetts Land Bank)—a state economic development agency. Two of the schools in our sample—Boston Renaissance and Parker Essential Charter Schools—occupy facilities that were part of the MDFA program.

The Executive Office of Education (which was recently eliminated in a reorganization of state government) supported another important effort: perhaps the most systematic accountability activity we have seen undertaken by any state to help its charter schools evaluate what their students are learning, their organizational effectiveness, and their unique missions. This effort includes a $10,000 per-school evaluation grant and additional reimbursement for student testing.

The state's own technical assistance effort has been complemented by the work of the Pioneer Institute's Charter School Resource Center. Almost since enactment of the charter law, this center has provided organization and assistance efforts and seminars for charter school administrators, teachers, and

board members. It has also been helpful to some schools in their fundraising activities.

Charter Resistance

Opposition to charters was intense and took some nasty turns in the period leading to the opening of the first set of schools in 1995. The words of *Middlesex News* staff writer Leslie Miller, writing during that period, summarize the situation: "Massachusetts' charter school experiment has bitterly divided host communities even before the first charter school has opened its doors."

For example, charter parents in Marblehead, Hull, and Chelmsford tell stories of their children being bullied, some even made to explain in class why they supported the charter school. This led one parent who served as chair of the Marblehead charter trustees to move her family after 16 years, citing "the personal price my family [has paid]" for their involvement in the school. A less personal, more bureaucratic form of harassment involved the use of liability, building, zoning, safety, and fire regulations to prevent charter schools from obtaining facilities. In Williamsburg, for example, city selectmen raised liability issues regarding Hilltown Cooperative Charter School. The town's building inspector also declined to issue a building permit. His rationale cited parking restrictions and "change of use" for the space leased by the school as well as tenant concerns about a "mixed use situation" in which the school was to coexist with retail shops and a restaurant. The school's September 1995 opening was threatened.

Charter supporters countered that liability issues rest entirely with the state, that state law does not allow towns to place restrictions on educational institutions, and that an acupuncture school and high school equivalency program were already located in the same facility as the proposed charter school. The building inspector eventually relented. He divided the building permit into two parts, one covering construction, the other parking issues. The school opened in September 1995.

Charter opponents also tried to fan resentment and opposition by claiming that these schools would impoverish conventional public schools, leading to teacher layoffs, less money for textbooks and materials, etc. This argument recently surfaced again in the case of Benjamin Banneker elementary school in Cambridge, the hometown of MIT and Harvard and all that symbolizes. Cambridge prides itself on its tolerance and liberalism, proclaims its openness to new ideas, boasts about its diverse population, and has been striving to integrate its public schools through a Massachusetts strategy known as "controlled choice."

In the matter of charter schools, however, Cambridge has shown itself to be rather less tolerant than its reputation suggests. District officials charge that Banneker will "cost" Cambridge's other public schools about $10,000 per child, implying that charter school parents who pay taxes have no right to their share of the education money. That amounts to approximately $1.4 million next year and $2 million thereafter. Combine that with other budget cuts and Cambridge says it will be forced to lay off 30 teachers and three vice principals at its high school. The school system blames Banneker for this reduction.

In fact, education spending in Massachusetts increases by over $200 million per year for at least seven years as a result of the 1993 Education Reform Act. Further, Massachusetts enacted legislation that effectively "double funds"

You'd never get me to teach in a public school run by the unions with all their Mickey Mouse rules.

New, noncertified teacher with Ph.D. in astronomy

The charter school has been the most controversial and emotional issue to hit the Marblehead community in the seven years I have worked for The Item.

Newspaper reporter

I'll fight tooth and nail any attempt to open another charter school in this community.

Public school principal

charter students for the next few years by continuing to pay districts for pupils they are losing to charter schools. High-spending districts receive half the money they lose due to students' attending charter schools while low-spending districts receive full reimbursement. During the 1995 school year, the cost to the state of this double-funding was about $16 million.

We have to rethink the facilities issue from the perspective of going to scale and making sure that we don't see charter schools as on the margins, as boutiques, as entities that exist in strip malls.

Policymaker from nonprofit group

A recent study by Pioneer Institute shows that, when calculated on a per pupil basis, state funding has increased for every Massachusetts district in which a charter school is located. Further, in every case but one, local aid money from the state more than made up for any loss of funding due to students attending charter schools.

Prospects

As the second school year approaches, it is difficult to predict what will happen to charter schools in Massachusetts. The major Boston newspapers, including the generally-very-liberal *Globe*, all support charter schools, which doesn't hurt their cause a bit.

Further, the state continues to provide both start-up and ongoing financial support to charter schools with help from the federal charter school grant program. It has established a revolving loan fund for charter schools, using MDFA as a guarantor for cash flow loans.

But there are some problems—even dark clouds—on the horizon.

Local politics remain an issue. Two recent examples involve the acquisition of space.

South Shore Charter School in Hull—a K-2 and 6-12 school whose primary enrollment will nearly double next year—wanted to lease a synagogue building for the K-2 grades from Temple Beth Shalom, whose congregation in recent years has shrunk. The superintendent of Hull public schools proceeded to write a letter to the congregation stating that the Hull schools would match any offer made by the charter school for use of this space. After a protracted dispute played out on a number of fronts, the Temple voted not to lease space to the charter school.

There are a lot of generally disgruntled parents who are consumers of public education in communities all around here. When we talk to them about this school, they light up and want it for their kid.

Parent and school founder

Another incident involved the Somerville Charter School, set to move into a vacant school building that once housed St. Joseph's Catholic School. Pressure was placed on local Catholic school officials from a variety of sources. At the last minute, the Catholic Archdiocese of Boston intervened and held up the agreement. State officials appealed that decision directly to Cardinal. He personally agreed to the lease after receiving a recommendation from a mediator.

There are several other problem areas at the state level.

First, the so-called "champion of charter schools," Senate President William Bulger, recently left the legislature to become President of the University of Massachusetts. This has created a major legislative leadership vacuum. The new Senate President is Tom Birmingham, former Senate Education Committee chair and a charter school supporter, described by one senior state policymaker as "right now being timid and cautious on the charter school issue." This vacuum was evident during the recent, unsuccessful legislative effort to lift the cap on the number of schools. Further, Governor Weld was, in the words of one observer, "conspicuously absent and didn't lift a finger, let alone twist some arms, in the move to lift the cap," suggesting that the charter leadership vacuum may be spreading to the executive branch.

There also have been several direct, union-inspired legislative assaults on charter schools. These include a proposal to require a study of charter schools with a commission composed of people who oppose charter legislation. None of these assaults has yet succeeded. But the major question is how long can charter schools withstand them.

Further complicating the matter is that, in a move to streamline state government, Governor Weld and the legislature recently scrapped the Executive Office of Education, whose Secretary was appointed by the Governor. It was this office that served as the official overseer of charter schools and was given sufficient independence to serve as a strong advocate for them. That responsibility has now been turned over to the state board of education, chaired by Boston University's celebrated John Silber. While abolishing the office may have been justified on a number of grounds, the fact remains that charter schools could well now find themselves left to the whims of the regular state education bureaucracy.

The [Boston] school committee and the union would never have [created a Pilot Schools program] if it weren't for charter school legislation.

State policymaker

On the positive side, charter schools show signs of spurring changes in school districts. Examples include:

- The Boston Public Schools and Boston Teachers' Union have launched a "Pilot Schools" program, based on the charter school model. These five schools (more are scheduled to open this fall) are freed from many district and union constraints, receive their funding in lump sums, enjoy considerable fiscal autonomy, can select their own staff without regard to seniority, can make many of their own purchasing decisions, etc.
- The Nauset Regional School district opened a new "school within a school" to compete with the Lighthouse Charter School.
- The Williamsburg School Department has initiated a low-cost after-school child care program for elementary school parents to help offset the financial impact of losing students to the Hilltown Charter School.

Charter school magic is working for families across Massachusetts.

Business leader

Perhaps the best way to understand what the charter schools of Massachusetts have meant to those with the opportunity to enroll their children in them is to read the words of Jon Keller, a political analyst who wrote in *The Globe*, "All across Massachusetts, parents desperate for decent public schooling are jumping on the charter school bandwagon the way Freedom Riders of the Deep South once crowded onto bus caravans."

Michigan

Given the strength of the political opposition, Michigan's charter school story is one to be viewed with awe. After its initial law was declared unconstitutional in November 1993, a revised version was enacted less than a month later. Despite repeated threats from teachers and districts (regarding the placement of student teachers and/or enrollment of graduates), university-sponsored charter schools continue to grow to the point that they now represent 61 of the state's 73 authorized charter schools. Continuing efforts to restrict the state's charter schools have been withstood, as has an onslaught of rumors and misinformation. Opposition from the teachers' union and many education groups remains fierce, but so does the determination of Governor John Engler and others in the state to infuse competition and quality into public schooling via charter schools (and other measures). Charter schools—called Public

School Academies in this state—are growing at a lively pace and will enroll nearly 12,000 students this coming school year.

The Statute and Approved Schools

Michigan's initial charter school law was passed in December 1993 and declared unconstitutional less than a year later, following a lawsuit brought by the teachers' union and one state board member, among others. In its ruling, a county circuit court found that the law usurped the state board's power to supervise public education and that charter schools were not legally "public." Legislators moved quickly to pass a new charter bill addressing the key issues raised in the suit. This new law became effective in April 1995, with the proviso that the initial law (with minor modifications) would supersede the new one if the court decision were overturned on appeal. In April 1996, the Court of Appeals upheld the lower court ruling, so the state continues to operate under its newer law. The state has decided to appeal this recent decision.

The charter school situation in this state is still somewhat tenuous. If Engler is no longer governor, or if leadership changes in the legislature occur, those opposed may win the battle. Additional restrictions would be forthcoming.

Charter school board member

That statute (as modified again in December 1995 and Spring 1996) allows any individual or group to develop a charter proposal and to seek sponsorship from one of four places: local governing boards of K-12 districts, intermediate school district boards, community college boards, and state public university boards. There is a rising limit on how many charter schools can be sponsored by universities: 85 through 1996, 100 through 1997, 125 through 1998, and no more than 150 thereafter. (The 1997 increase from 85 to 100 will only occur if the State Board of Education submits a comprehensive report on charter schools to the legislature.) In addition, no more than half the numbers allowed under the cap can be authorized by any one public university board.

There are no caps today for other authorizing entities. (Initially, community colleges were allowed no more than one each.) Private nonsectarian schools are allowed to convert to public charter school status.

Once approved, charter schools sponsored by entities other than local boards become fiscally and legally independent entities. They receive the average state aid amounts received by the local school districts in which they are located (not to exceed $5,500 for fiscal year 1994-95 as adjusted by inflation each year). The general interpretation is that all state laws that apply to public schools also apply to Michigan's charter schools unless specifically exempted. Important exemptions include being spared from teacher tenure and existing collective bargaining contracts (except for schools authorized by local boards). But all charter teachers must be state-certified unless the school is sponsored by a university (in which case employees of that university are allowed to teach at the school).

Recent statutory changes require the state board of education to submit an annual report to the legislature evaluating Michigan's charter schools. The law also requires additional reporting on behalf of the charter schools and specifically provides that certain state code requirements *do* apply to charter schools (e.g., annual financial audits by a CPA). Charter schools must also administer the state's student assessments.

A summary document prepared by the Michigan Partnership for New Education reports that, as of June 1996, there were 44 charter schools in operation, enrolling over 5,500 students. An additional 29 were authorized, with most of these slated to open in 1996-97. This will total 73 schools enrolling nearly 12,000 students. Although this is a significant number of schools within

a short time (especially compared to all other charter states except Arizona), it falls short of Governor Engler's original projection that 200 charter schools would be operating within a three year period.

The charter schools are scattered throughout the state (in both upper and lower peninsulas) and are found in large and small communities. Curricular offerings vary from vocational trades to Afro-centric to science/math to back-to-basics. A remarkable array of individuals and groups from outside the traditional education ranks has come forth with charter proposals. A few examples might include the Woodward Academy initiated by the (federal) Drug Enforcement Administration; the Henry Ford Academy of Manufacturing Arts and Sciences, which will operate on the grounds of the Henry Ford Museum; and the Mid-Michigan Public School Academy, which will operate under contract with the Edison Project. A number of charter schools are being created and managed by small for-profit or not-for-profit entities.

Recent data on the charter student population reveals that 50 percent are African-American, 46 percent white, and the rest a mix of Hispanics and Native Americans. (Regular public schools in Michigan are 78 percent white and 17 percent African-American.) Although the schools receive less funding than other public schools, their average pupil-teacher ratio is 16:1 compared to 22:1 in traditional public schools.

No one is suggesting that charter schools are the "be all and end all" of education, just a welcome addition to help give our children the best our community can offer. But the fact that some people resort to distortion and misinformation to build a case against charter schools indicates there is more to this issue than a concern over the education of our children. It would be sad and unjust to see this choice crushed by those who value power, politics, and personal interest above the needs of our next generation.

Charter school parent

Issues and Observations

As in other states, a number of issues face Michigan's charter schools. Some are more acute than others, especially given the rapid growth of the program within the past year and a half. Six especially significant issues follow.

First, the Michigan Education Association (MEA) is considered one of the strongest state teachers' unions in the land and has long enjoyed the ear of state policymakers. This group's opposition to charter schools remains strong. It was among the plaintiffs who filed the successful lawsuit against the initial charter law. It was actively involved in making sure that requirements were added during the recent round of legislative modifications. Some members have refused to accept student teachers from universities that sponsor charter schools and have admonished graduating seniors not to attend these universities. (Although such threats have not been widespread, they are sufficient to elicit the enactment of a law during spring 1996 which penalizes districts that refuse to accept student teachers from universities that sponsor charter schools.) During our site visits, we heard teachers and parents tell of being harassed (or shunned) by so-called teacher-friends. We met several charter parents who taught in traditional public schools and spoke of anti-charter materials distributed on a regular basis by the MEA.

Interestingly, however, the MEA created a task force to study charter schools during Spring 1996. Some union officials reported that the scope of this group's recommendations could range from having the MEA provide professional development for charter teachers to the MEA actually opening its own schools. Most observers remain skeptical, however, that any true support for charters will be forthcoming.

A second set of issues involves finances. As elsewhere, acquiring start-up funds is difficult for Michigan charter schools. In fact, it's especially difficult in Michigan because the uncertain status of the charter law (due to the lawsuits) has made banks reluctant to provide loans. In an attempt to furnish some relief,

the Michigan Partnership developed a loan financing deal during 1995-96 in which private corporations agreed to "secure" bank loans for charter schools. Unfortunately, the total fund thereby made available was much less than originally planned and, for the most part, only those charter schools that were actually up and running could access these funds. Moreover, the borrowed funds had to be repaid within nine months. For 1996-97, a program operated by the Michigan Municipal Bond Authority will offer low interest, short-term loans for schools with approved charters. Once again, this will ease cash flow problems once a school actually begins to operate, but it will not help them to secure or remodel a facility (which is necessary prior to receiving charter approval). As elsewhere, charter schools in Michigan do not have access to local capital for the acquisition of facilities. Significant discussions are occurring regarding ways to rectify capital funding concerns, and many are optimistic that a solution will soon be forthcoming.

Several lesser financing issues were recently corrected by the legislature. Charter schools were initially funded using a "blended" pupil count (averaging the previous and current years' enrollments). For rapidly-growing charter schools, this was potentially devastating. They also were allowed to use no more than 5 percent of their state funding for longer-term capital items. Such schools can now use up to 20 percent for this purpose and can use a current year membership count for their first two years (rather than a blended count). For schools adding grades each year, current-year counts of these new students can be added each year.

A third issue is nonlocal sponsorship. Although potential charter schools theoretically have four sponsorship options—universities, community colleges, intermediate school districts, and local school boards—in reality, universities are the main game in town. Sixty-one of the current seventy-three charter schools have been sponsored by one of five universities (with Central Michigan University playing the key role). Community colleges have approved only one; intermediate school districts have approved seven; local board sponsorships number four. Most groups opt for the university route since this means no time wasted on local politics. In addition, many groups choose not to seek sponsorship from a local board because existing district collective bargaining provisions would apply to them. Experience to date indicates that when they approach one of the university sponsors, a solid proposal (including an appropriate facility, a sound financial plan, and a quality educational program) will result in approval of their charter school.

This is not a perfect arrangement, however. The cap on charters that can be issued by universities is worrisome—and charter opponents are keenly aware that, because universities are the main chartering spigot, if they can keep this tightly shut, they will stall charter school growth. Another concern with university sponsorship is the infrastructure needed to monitor and support charter schools. Since universities are not in the K-12 business, they are not well-equipped to handle these functions. All Michigan universities assess a 3 percent overhead charge to their charter schools to cover the costs of such activities. Initially, however, it cost CMU far more to set up its procedures and paperwork (though most other universities have built their procedures upon CMU's pioneering work). The legislature recognized some of these additional costs and awarded CMU $500,000 per year for each of three years to offset them and to provide statewide technical assistance. Though the present

situation for interested universities in Michigan appears workable, the experiences raise the question of how many higher education institutions (both in Michigan and elsewhere) have the ability or inclination to develop the necessary infrastructure.

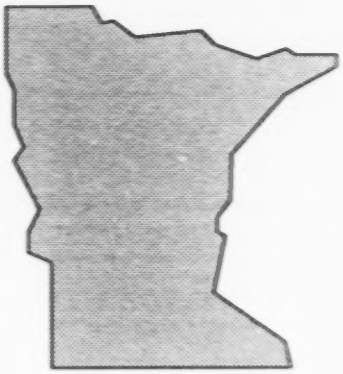
A fourth major issue involves governance. By law, charter employees may not serve on their school's board. This often sets up a "we vs. them" governance structure that undermines the site-based empowerment aspect of charter schools. It also serves as a disincentive for teachers to form charter schools (which they may end up having little control over). We heard several charter teachers note that they may someday need to organize (i.e., into a union) if board relations become bad. Some charter boards are viewed as micromanagers, and there are personality clashes within some. One school in Lansing has been placed on probation by CMU because of complaints of misconduct and mismanagement on the part of its governing board.

Murkiness regarding which state regulations apply to charter schools is a fifth key issue. It was reasonably clear under the initial law (and to some degree under the current law) that charter schools are supposed to be exempt from much of the state education code. Several schools were organized under this assumption. The current reading (by the state education department, CMU, and others), however, is that charter schools must follow all of the existing education code except for items specifically waived by the charter law. This changing interpretation means that a number of initial charter schools underestimated the amount of state compliance paperwork they would be subjected to. It also creates situations where some schools may be out of compliance purely due to ignorance. There is also concern regarding duplicative paperwork requirements from the state department and the charter school's sponsor.

Finally, political turf battles remain a concern. Both the Michigan Partnership for a New Education and CMU became lead organizations in the charter school movement. Both were designated by state entities to provide technical assistance; both received state funds for this purpose (the Partnership from the State Board and CMU from the legislature, to the tune of approximately $500,000 each). Both groups had friends among the charter schools themselves. As a result, two separate state networks began to be formed and some energy was wasted in this rivalry. This has now been resolved to a large degree as the Partnership's role has evolved to one of managing several charter schools while CMU retains the primary technical assistance role. A single charter school organization has been formed, the Michigan Association of Public School Academies, with the former senior associate director of CMU's charter school office becoming this group's executive director. The new association intends to take on a lobbying role as well as providing technical assistance, pooled insurance plans, etc. The Governor's Office also now has a person focused on charter school issues.

Overall, amazing things are happening on the Michigan charter scene. Individuals and communities across the state are debating the pros and cons of such schools and, in doing so, raising important questions about the quality of public education. Hundreds of newspaper articles and editorials have appeared. Charter schools are sprouting throughout the state, many of them serving at-risk students. Yet there is some cause for concern about the delicate political basis of this program. The teachers union has continued its assault, and local superintendents and school boards have increased their pressure. They want

Michigan's charter schools to abide by every state education law (even though charter schools receive less money and are more liable for results). They talk about this as a "level playing field." It is too early to tell who will win the battle, but charter supporters feel confident that a solid foothold has been established in this past year.



Minnesota

In 1991, Minnesota became the first state to enact charter school legislation. This followed a period in which Minnesota also led the way in public school choice initiatives that have been emulated by many other states. These include: a postsecondary options program enabling high school juniors and seniors to take college courses at state expense and receive both high school and college credit; open enrollment, allowing students to pick their public schools regardless of district boundaries; several "second chance" programs focused on at-risk students and dropouts; and, now, charter schools, making it possible for individuals to create independent public schools that operate free from most state rules and regulations. Because so many states already have similar laws on their books, today these approaches to education reform appear commonplace, even bland. Yet each was deeply controversial at the outset—and each was pioneered by Minnesota. Clear policy thinking and strong state leadership were vital ingredients at the outset. Those elements still exist today in the land of ten thousand lakes. Indeed, Minnesotans such as Ted Kolderie, Joe Nathan, Senator Ember Reichgott Junge, and Peggy Hunter are viewed as school choice and charter experts not only for their state but for the entire country.

Minnesota's charter law can be considered medium-strong. Revisions have been made several times, most recently in spring 1995. Each time, legislators who support the charter concept have made a bit of progress toward a stronger law, slowly creeping, for example, from an original cap of eight schools to today's limit of forty. Appeals to the state board were authorized a few years ago (provided that the charter proposal gets at least two "yes" votes from the local board). Public colleges and universities are also now allowed to sponsor a total of three charter schools.

From day one, Minnesota's charter schools have had legal and fiscal autonomy as well as automatic exemption from most state laws and rules. Their funding comes directly from the state (not through local districts), and they are recognized as separate entities eligible to apply directly for state and federal grants. Minnesota's law also contains a component that few other states have been politically able to replicate: allowing nonsectarian private schools to convert to charter school status.

Charter school growth has been steady but fairly slow, especially when compared with states such as Arizona and Michigan. Two schools were operating in 1992-93, seven in 1993-94, thirteen in 1994-95, and seventeen during the past year. In 1996-97, twenty charter schools are expected to be functioning.

Many (eleven of twenty) of them are clustered in the Twin Cities, with five being approved by the St. Paul School Board and four by Minneapolis. Two others are located within the Twin Cities but sponsored by boards outside the area—a very interesting arrangement now also visible in Arizona. The remainder are scattered through the state, some in very rural areas. Two serve primarily Native Americans, one is a formerly private Montessori school, and two are

sponsored by the state board. All present Minnesota charter schools are fairly small, ranging from about 25 to 186 students, with half serving fewer than 75 youngsters. Save for the one private school conversion, all are start-up schools.

Many serve large proportions of at-risk students (either by design or because of their location). City Academy offers a dropout retrieval program, while Right Step Academy is viewed as an alternative to incarceration. Community of Peace and ACORN Dual Language Community Academy enroll many students with limited English proficiency. Cedar Riverside Community School is located in a low income housing development. Others could be viewed as specialty or "niche" schools designed for (or attractive to) certain student populations. For example, Metro Deaf offers a day school program for deaf students. Minnesota New Country School offers a completely competency-based and individualized learning program. Skills for Tomorrow offers a vocationally oriented school-to-work program. World Learner School of Chaska and Bluffview Montessori both use the Montessori approach. In general, Minnesota charter schools seem to be serving students that districts often find difficult or expensive. Many believe that this emphasis follows from the need to gain charter approval from the local school board. Larger charter schools serving a general population of students represent more of a financial threat to a district, and there are few in Minnesota today.

I know that our charter school law continues to have some weaknesses, but given that it was the first in the nation, we didn't do too badly. Many other states started with our law as a model and then made improvements.

Legislator

Many interesting partnerships have formed to create these schools, including the St. Paul Parks and Recreation Department, the Minneapolis Urban League, the Minnesota Business Partnership, the Minnesota Teamsters Service Bureau, and a variety of universities, all these in addition to many teachers, parents, and other community members deeply engaged in the establishment of charter schools.

Although aggregate impact data do not yet exist, a summary report was prepared by the research department of the Minnesota House of Representatives several years ago (December 1994). Researchers found that parents within the charter schools examined were generally satisfied with their decision to place their children in these schools. The report noted that the reasons parents chose these schools included small classes, the school's location and environment, dissatisfaction with conventional public schools, good teachers, and the chance for more parental involvement. As another indicator of success, many Minnesota charter schools have waiting lists.

Issues and Problems

Minnesota's charter schools face many of the same concerns as their counterparts in other states. Key issues (as identified by state and local people and observed to some degree in our sample schools) include the following:

Management and personnel difficulties. By law, the majority of each charter school governing board in Minnesota must be teachers employed within the school. This provides great opportunities for the profession to govern itself, but also causes concern in some schools. Several have struggled as teachers dismiss fellow teachers, set salaries for themselves and their colleagues, and try to wear multiple hats. The issue of potential conflict-of-interest vs. true professionalism lies unresolved.

Sponsorship problems. Minnesota charter schools must initially seek sponsorship from their local boards, though they can appeal a rejection to the state board if at least two "yes" votes were obtained at the local level. If the state

board finds the charter school proposal acceptable, it may sponsor the charter directly. (This has happened just twice.) Even with this appeal process, charter schools must often compromise and accept a great deal of what the district (or district's teacher union) wants. Much energy is wasted on these types of political battles and many people in the Minnesota charter movement cite an urgent need for a viable nonlocal sponsorship option. A first step toward this was taken when state colleges and universities were authorized to sponsor up to three charter schools. Although several groups have entered into discussions with various higher education entities, no schools have yet been sponsored under this option. (One charter group received approval from Mankato University's School of Nursing during spring 1996, but internal and external pressures forced the university to withdraw its sponsorship approval.)

With so many public school choice initiatives on the books and the voucher issue lurking in the background, charter schools don't always get the attention they deserve.

State official

Limited finances. Minnesota charter schools receive state funding as well as whatever federal funding they are eligible for, but they get no local funds at all. That means Minnesota charter schools are funded at a lower level, in some cases significantly lower, than nearby conventional schools. In addition, they are barred from accepting outside grants from private sources once they have moved beyond the start-up phase. These limits and restrictions often result in lower salaries for teachers and fewer resources for students. Nor are any state start-up funds available, though a $500,000 federal charter school grant was distributed during 1995-96 in sums ranging from $20,000 to $50,000 per school.

Facility concerns. Charter schools in many states have difficulty finding and financing adequate facilities. Minnesota's have an additional challenge in that their law prevents them from using any state funds to acquire facilities or land. They are therefore forced to be renters forever and cannot enter into any kind of lease/purchase arrangements.

Lack of technical assistance. Though efforts are being made by the state education agency and others to provide support to charter schools, no specific funding has been made available for this purpose. This means that individuals working with charter schools must do this on top of their other duties. Unlike several other states, no private foundation or policy shop has come forward to help fill this void in a systematic manner. Repeated attempts by charter schools to establish a network among themselves have also occurred, but with nobody at the state level or in the private sector to help coordinate such efforts, a viable network has only recently come into being (during 1995-96—four years after the initial charter law was enacted).

Limited state and local assessment. Although Minnesota's charter schools are the oldest in the nation—one has now finished its fourth year—no state level research on outcomes yet exists. (The previously mentioned study by a legislative research arm was unable to gather data on outcomes given how little time charter schools had been in existence at that point.) Using some of the federal charter money recently received, the state education department has contracted with the Center for Applied Research and Educational Improvement at the University of Minnesota to examine whether charter schools are improving student performance, whether the intent of the legislation is being met, and how to improve the charter approval process. A preliminary report is expected in December.

Political uncertainty. Charter schools seem to have strong support in the State Senate but only a bare majority in the House of Representatives. The

resulting law, therefore, continues to contain weaknesses despite annual attempts to strengthen it. In addition, the continuing battle over vouchers leaves many observers unsure whether this will help or hurt charter schools in Minnesota.

Slow charter school growth. While Minnesota's law is far from the strongest in the country, it does have many strong provisions; for example, existing private schools may convert, local union contracts do not apply to charter schools (though charter teachers can form their own bargaining units), anyone can form such schools (at first, only certified teachers could), and there are both an appeals process and the possibility of alternative sponsorship. So why does Minnesota have such slow growth in the number of charter schools?

Several hypotheses come to mind. First, sponsorship options remain a concern. The lack of an appeals process initially, and the precondition that two local "yes" votes must be obtained before any appeal can be filed, may be key factors. Allowing just three schools to be sponsored by universities is also cause for concern. Fighting the predictable political battles and creating a campus infrastructure for charter sponsorship may not be worth it for such a small number of schools.

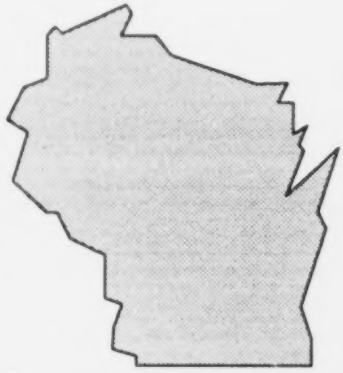
Second, Minnesota already has an extensive array of alternative education programs, many of them private programs that contract with school districts. Thus, the need for charter schools may not be as great here as in other jurisdictions.

Third, the lack of state or privately-funded technical assistance may contribute to the paucity of charter schools. Most other states with strong charter laws also make available significant amounts of technical assistance.

Fourth, charter schools have not been made a top priority by an identified state public leader (such as the governor). Although this initiative remains high on the list of several key legislators (including Assistant Senate Majority Leader Ember Reichgott Junge), it is not viewed as hugely important to many state leaders.

Overall, good things are happening in the state that has long been a leader in public school choice initiatives. Charter schools are one of many ways by which Minnesota now provides educational options for students, parents, and teachers and fosters competition among public schools. Charter growth is steady, if slow, and hundreds of at-risk students are now served by charter schools. No major crises have occurred, although a number of issues face policymakers and charter operators. Minnesota's law continues to have some significant weaknesses, notably the lack of a viable nonlocal sponsorship option and the low funding provided to charter schools.

Wisconsin



The Badger State is considered a leader on the state-supported private school voucher front (due to Milwaukee's much-publicized program). On the charter front, however, Wisconsin's law (initially passed in 1993) is still among the weaker statutes despite significant revisions enacted in 1995. With certain exceptions possible in Milwaukee, charter schools in this state remain exclusively under the control of local school boards and no appeals process is available. During 1995-96—two years after the original law was passed—just six charter schools were operating.

The charter school in our district was an existing program which we slapped the term charter onto. We call it "charter lite."

Local school board member

The Statute and Approved Schools

Charter schools can be established by two methods in Wisconsin: the school board may, on its own initiative, establish such schools, or any individual or group that can obtain the signatures of at least 10 percent of all teachers within the district or 50 percent within a given school may present a petition to the local board seeking to create a charter school. In either case, the local board has complete authority to accept or reject charter proposals and to require specific provisions. Except in Milwaukee, any charter schools remain instrumentalites of the district (i.e., legal and fiscal entities of the district with their staff members being employees of the district). In Milwaukee, the amount of fiscal and legal autonomy is determined within the charter itself, and petitioners here may appeal the local board's decision to the state. All charter schools are automatically exempt from many state laws and rules, although local board policies remain in place unless specifically waived within the charter. Charter schools may hire only certified teachers, but the state education department has created a special charter school license that provides some flexibility.

Several significant revisions were enacted during 1995. Previously, only 10 districts were allowed to create up to two charter schools each. The amended law authorizes an unlimited number of charter schools across the state. It also allows charter school teachers to form their own bargaining units and permits a charter school's budget to be more than the district's per-pupil average cost. (Both had previously been prohibited.) Perhaps most significantly, potential charter schools in Milwaukee are no longer required to remain instrumentalities of the district and may appeal the local board's decision to the state.

The six charter schools operating in Wisconsin in 1995-96 included a new, parent-developed school for 35 students using a theme-based, integrated curriculum; a new alternative school for about 100 at-risk middle and high school students; a school for technology and the arts serving approximately 70 elementary students; a converted middle school focusing on integrated and multicultural learning; an umbrella school incorporating four existing at-risk programs; and a school-within-a-school for about 65 high school students using block scheduling and an integrated curriculum. Each was created using the board-initiation process and remains closely aligned with its district. That means, for example, using district transportation, food, and accounting services; salary schedules; school calendars, and so on.

Two additional charter schools are slated to open in 1996-97 and discussions are underway involving at least fourteen more proposals. To date, only one petition-driven proposal (i.e., signed by 50 percent of the teachers within the school) has been submitted (to the Milwaukee School Board).

The Wisconsin Association of School Boards (WASB) has long been active in providing information on the state's charter law. Joined by former Milwaukee superintendent Howard Fuller's new Institute for the Transformation of Learning at Marquette University, several statewide conferences were held during early 1996, and a charter school advocacy group was formed. Fuller's shop is developing a clearinghouse capacity to provide information and advice to charter organizers. Other recent events (which involve both a state and national charter school focus) included an April 1996 conference at the Johnson Foundation's Wingspread center and an August 1996 EdVentures '96 conference in Milwaukee (sponsored by the American Association of Educators in Private Practice).

Issues and Observations

Many Wisconsinites acknowledge that their charter law is weak and further modifications are needed. Of greatest concern is the exclusive hold that local school boards have on charter proposals. Without a viable appeals or alternate sponsorship process, the pressures felt by local board members (e.g., from the teacher unions) often make it difficult to move outside the box of familiar school models and practices. Also worrisome is the requirement that a charter proposal initiated by anyone other than the local board must be supported by at least 10 percent of all teachers in the district or 50 percent of those within the school. Given the strength of Wisconsin's teacher unions and their reluctance to support more independent charter schools, this threshold becomes almost impossible to meet. Unless a local board is willing to entertain proposals, it functions as a chilling deterrent to interested individuals outside the system (e.g., parents, community entities). Since the teachers' unions also exert considerable leverage on many local school boards in Wisconsin, board-initiative may not be a viable option, either.

Instrumentality is also a key issue. Save for potential schools in Milwaukee, charter schools must remain fiscal and legal entities of the district, and their staff members remain district employees. For all practical purposes, this means that district salary schedules and collective bargaining provisions remain in place. Although charter staffers may now form their own bargaining units, none of the existing schools has chosen to go this route. It was repeatedly noted to us that peer pressure from other teachers in the district is very powerful.

As in other states, the lack of charter school start-up funds is also a concern. Indeed, it is even more acute in Wisconsin since state law favors creation of charter schools by those within the system, people who tend to take for granted that nothing new can happen unless there are extra funds to cover planning time and/or "release" time. The kinds of "sweat equity" found in charters in many other states are often not an option in Wisconsin—and may actually be forbidden by collective bargaining contracts. Of the two charter schools we visited, one would not exist without the passage of a local referendum that provided an additional $300,000 per year for it, while the other wouldn't exist if a parent had not decided to invest hundreds of volunteer hours. In the latter case, the school board initially attempted to get teachers within the district to develop charter proposals, but peer pressure and lack of planning funds meant there were no takers.

Another concern is the lack of high-level political attention to charter schools (until very recently). For the past several years, Governor Thompson and key legislators have focused on the private school voucher program in Milwaukee. In addition, much effort went into attempts to create a new Commissioner of Education position (appointed by the Governor) and State Education Commission to oversee the renamed Department of Education. These changes were challenged in court and overturned. The Milwaukee voucher program is also currently in the midst of a complex legal battle. At present, the portion that allows youngsters to attend secular private schools is underway, but expansion to religious schools has been enjoined, awaiting decisions and appeals that could take years. (A privately- funded program continues to provide scholarships for many low income Milwaukee youngsters to attend religious schools.) The upshot is widespread uncertainty on the

Wisconsin's version of charter schools does not produce enough pressure to change anything within the rest of the system—it really doesn't make anyone feel uncomfortable.

Charter school business partner

education reform front in Wisconsin, with charter schools sometimes lost in the shuffle.

Despite the efforts of the Wisconsin Association of School Boards to distribute information, the lack of statewide technical assistance has also been an issue (especially prior to 1996). The Department of Public Instruction (DPI) plays a fairly limited role, distributing the law and answering general questions. It does not approve (or even collect) individual charter contracts, nor does it gather information on the schools operating (other than how many). Initially—and still, to some extent—many school officials and legislators viewed DPI as being against charter schools. Wisconsin did not receive any of the federal charter school funds, although DPI did submit a proposal. Some believe this was because the state is viewed as having a weak law, while others claim that DPI didn't put much energy into the proposal.

The newest and most promising source of technical assistance in Wisconsin is Marquette's Institute for the Transformation of Learning. Started and led by the highly-regarded Howard Fuller, this entity is becoming a visible and constructive force in the Wisconsin charter world. Fuller works closely with various Milwaukee groups and is active in forming a state association for charter schools (in conjunction with other charter supporters). He also works closely with state policymakers. Many predict that more will happen now that there is someone really focusing on this issue.

As in the past, improvements to the law will not be easy. Senator Alberta Darling, former chair of the state's Senate Education Committee, is very supportive of moving to a stronger law with alternate sponsors, etc., as are Governor Thompson and Lieutenant Governor McCallan. But many other policymakers still view charter schools as "anti-public schools." Other key legislators appear to be reasonably satisfied with the current law and do not want to remove any power from local school boards. They believe that charter schools are only one of many reforms and that investing much energy in strengthening the charter law may not accomplish much. WASB has also noted that it will oppose any revisions to the charter school law that diminishes the authority of local school boards.

Of the seven states involved in this study, Wisconsin today has the weakest law. We know that fewer schools form in weaker law states—and this is certainly the case in Wisconsin—but what about the quality of those that do form? As observed within the two Wisconsin charter schools in our sample, the instructional programs are sound, and kids seem to be learning. This is good. But they are not doing a great deal to challenge the status quo, particularly on management issues. Wisconsin's charters are little more than "enhanced site-based schools" with somewhat more control over instructional aspects and a bit more freedom from state regulations. District governance and union master agreements still prevail, and there has been no major redistribution of resources under the control of these schools (though one of them has moved significantly further in this direction than the other).

Things are happening as a result of charter schools in Wisconsin, but, as one local board member noted, most of them can be termed "charter-lite" schools. As the legislature convenes in January 1997 for its biennial session, it will be interesting to see how much further Wisconsin charter supporters are able to push the frontier.

The current law still allows the teachers' union to have too much control over the local board. The type of schools which are being formed are not putting enough pressure on the entire system to change. Instead, they are being viewed as a "relief value" for various groups of parents on the edges. To this end, charter schools are being viewed as an extra "program" which is taking money away from the rest of the system rather than as an integral part of a system committed to diversity and choice.

Local district board member

Appendix C
Participating Schools, 1995-1996

ARIZONA

(Note: All Arizona schools were in their first year of charter operation in 1995-96.)

Boys and Girls Academy

An arts-infused middle school operated by the Boys and Girls Club in suburban Mesa, the Academy served about 90 students in grades five and six, drawing its attendance from some 22 other schools in the "east valley" part of metropolitan Phoenix. Its core teaching staff was supplied via contract with the Mesa Public Schools, whose academic curriculum it uses (and supplements). The school's board is chaired by the state Attorney General. The school operates in portable classroom units and a handsome new Boys/Girls Club facility.

Esperanza Montessori Academy

This K-12 Montessori-style school serves about 300 students, three-fourths of them Hispanic and two-thirds of them from the disadvantaged South Phoenix community, where the school is located and where many students had encountered difficulties in the previous schools. Esperanza combines strict discipline and uniforms with the self-direction and personal responsibility of the Montessori approach, which has proven easier with young students than with older ones. Its teaching staff has varied backgrounds, about half of them certified, and its facilities are mainly portables. The school won a million dollar grant from the National Football League.

Greyhills Academy High School

This preexisting Bureau of Indian Affairs "grant" school enrolls 450 young people in grades 9-12. Located on the Navajo reservation in remote Tuba City, its students are all Native Americans and about half board at the school. The charter focus is a "college-tech prep" program intended to enable graduates to go either to postsecondary education or into careers. Much instruction emphasizes applied learning. Charter status and resources have boosted enrollments and strengthened the program. The school's governing board is popularly elected.

Pine Forest School

A K-4 school in Flagstaff serving 106 students, Pine Forest follows the "Waldorf" instructional model developed by Rudolph Steiner. This includes "activities for the body, hands and hearts, as well as the mind" and teachers

who stay with their students throughout the elementary grades. Founded by parents who had tried unsuccessfully to get a Waldorf-style program in the Flagstaff public schools, the charter school has recently acquired its own (Spartan) facility. Early opposition—based on allegations that Waldorf schools were sectarian—has abated.

Success School

This alternative program serves about 100 extremely disadvantaged and at-risk youths, many of them ex-juvenile offenders, at multiple sites in Phoenix and Yuma. Intended as secondary schooling aimed at a high school diploma or G.E.D., the school has found many students in need of significant remediation. It occupies mostly storefront-type facilities and is mainly staffed by nontraditional tutor/advisor/mentors without conventional credentials. Enrollment and attendance have been unstable, and neighborhood opposition has been a problem.

CALIFORNIA

Charter School of San Diego

This conversion school covers grades 6-12, though students are not broken into traditional grade levels. It opened in 1994 and consists of 15 "store fronts" serving 253 square miles. It has a back-to-basics curriculum and specializes in a non-classroom based approach to instruction, with programs created to meet the specific needs of students who mostly work with teachers one-on-one. It enrolls about 860 students, 63 percent of them eligible for free or reduced lunch and 65 percent minority group members. It is a joint venture of the school district and the San Diego Chamber of Commerce Business Roundtable for Education in partnership with Labor's Community Service Organization (AFL-CIO).

Choice 2000 On-line

Serving approximately 130 middle and high school students including some adults through cyberspace, this new school is a computerized bulletin board and on-line school based in Perris with grade 7-12 lessons, texts, and software accessible interactively via fax and modem. Begun in 1994-95 by a teacher, it's designed to follow students wherever they go and be available to them whenever they want. Initial problems included poor fit between their instructional software and the district curriculum and high phone costs, both of which are now under control.

Constellation Charter Middle School

Two teachers founded this new (in 1995) school, serving approximately 90 sixth-seventh graders in Long Beach. Located in a downtown building formerly occupied by an adult vocational program, the school has a project-based college prep curriculum focused on the core content areas. It uses block scheduling. Minority students account for almost 90 percent of the students. While its education program is autonomous, its finances are still "closely held" by the school district.

Fenton Avenue Charter School

Begun in 1994, this is pre-K-6 conversion charter, started by parents and educators, serves approximately 1,200 students, almost all minority, in Lake View Terrace (Los Angeles). It is open year-round. Besides a core curriculum academic program for students, it operates a family center, adult ESL and citizenship classes, Saturday parent and student classes and after-school enrichment classes, study halls, and academic clinics. It's one of the few fully autonomous charter schools in the state.

Guajome Park Academy

This teacher-initiated school in Vista spans grades 6-10, serving approximately 500 students, half of them minority. Opening in 1994, it has the International Baccalaureate program and a special partnership with a nearby museum and offers three education programs: a school that uses interdisciplinary studies and community service as part of a progressive program of studies; state park/forestry programs at four sites with the California Conservation Corps; and an independent study program called Expeditionary Learning. It has full control over its education program and more financial autonomy than most California charters. Its start was complicated by a district-wide dispute over outcome-based education.

HIS Charter School

Started in 1993 by educators in rural Lincoln, this new school has a rigorous "back to basics" curriculum with a heavy emphasis on core academics and technology. It has 850 students in grades 8-12 for whom it offers a wide array of program options, including home-based learning programs and supplemental learning projects, all seen as an alternative to classroom-based instruction. This has helped parents with widely divergent views to come together. HIS was involved in a long dispute with the state, recently settled in the school's favor, over whether its unique program and charter status allowed it to offer services not provided to all district students.

International Studies Academy

This San Francisco high school converted to charter status in 1994 and serves approximately 550 students, predominantly minority. It is implementing the International Baccalaureate, has a curriculum that stresses international education and the study of foreign languages, and uses block scheduling. It also has a special deaf education program. While autonomous at the outset only with respect to its education program, the school is now pursing financial autonomy so that it can more effectively target its resources to its objectives.

Jingletown Charter Middle School

Located in Oakland, this new school began in 1993 and now enrolls about 170 students, all minority, in grades 7-9. Founded by parents with the help of teachers from the neighborhood elementary school, Jingletown has a highly focused core curriculum with some block scheduling as well as a program for all new students. It encountered a full array of start-up problems, including board and union opposition, difficulty in finding a facility, disagreements among board members, and having to find a second site. It has striven to overcome

these problems, including reconstituting its board to become more representative of the community. Like Fenton Avenue Charter School, it's one of the few fully autonomous charter schools in the state.

COLORADO

Academy of Charter Schools

This K-12 school is in its second year of operation in the Adams 12 district near Denver. A parent-initiated school that aspires to provide a large-scale alternative to conventional schools, at 500 students it is already the biggest charter school in Colorado. Its program is characterized by firm discipline, traditional values, and a curriculum based on "Core Knowledge" and John Saxon's math program. The school's strong-willed board has sometimes been in conflict with the local district, which funds it at 80 percent of per pupil operating revenues, the lowest level permitted under Colorado law.

Community Involved Charter School

A college-preparatory K-12 school in its second year, enrolling about 300 pupils in suburban Jefferson County, it emphasizes open education, experiential learning, a constructivist curriculum, and individualized progress. Eschewing conventional grades or grade levels, it is popular with families seeking progressive alternatives and youngsters who encountered difficulty in conventional settings. The school, which went through a painful leadership change in its first year, operates in a former church and is staffed by a diverse group of teachers. Funded at 85 percent of PPOR, the school has a generally cordial relationship with the local district.

Clayton Charter School

This inner city school in Denver serves about 100 at-risk children from preschool through grade 2, almost all of them black or Hispanic, plus extensive after-school, follow-up, and family services. Curriculum and pedagogy are based on the High/Scope program. Now in its second year as a charter, the school previously operated as a private preschool supported by the nonprofit Clayton Foundation and occupies excellent facilities on the Clayton campus. The Foundation also supplements Denver's 80 percent of PPOR funding of the charter program, making possible free full-day kindergarten and after-school and other services.

Crestone Charter School

Enrolling approximately 35 students in rural Crestone/Baca (Moffet School District), the school emphasizes integrated and experiential education within multi-age classrooms. In its first year, the school covered grades 1-9 and plans to expand, although its one-year-only charter (obtained after appealing a local board rejection to the state) makes for an unpredictable future. The school occupies a small building and a large portable unit.

Renaissance School

The third charter in fast-growing Douglas County, Renaissance enrolled 228 children in grades K-6 during its first year. Founded by parents, the school

has team-taught multi-age classes, an individual education plan for every pupil, and a curriculum that stresses cooperative, interdisciplinary and investigative learning with emphasis on higher order skills. Funded at 100 percent of PPOR, the school operates in portable units in an office park whose developer may provide a permanent facility.

MASSACHUSETTS

(Note: All schools were in their first year of operation in 1995-1996.)

City on a Hill Charter School

This much-publicized Boston school, started by two teachers, serves 65 students, three quarters of them minority, in grades 9-10 and offers a strong college prep curriculum, including a program of public service and civic responsibility. A weekly town meeting figures in the school's efforts to develop sound character. Located in a YMCA near Northeastern University, City on a Hill works with local artists and cultural institutions such as the Boston Symphony and Boston Ballet to make the arts an integral part of its life. On the horizon is the need for a new facility as they expand to grades 7-12 and a concern for how this will affect the school's culture.

Community Day Charter School

Located in a former Catholic elementary school in Lawrence, this K-4 school serves 110 students, nearly two-thirds minority. Its prime mover was Community Day Care, a nonprofit group with 25 years of experience in Lawrence. The school's "inclusive" education program emphasizes core subjects and includes English immersion for all students and service agreements with families whose children need special education services. The school offers extended day care and referrals for social services that parents and children need. A major issue facing it is the forthcoming renovation of an adjacent building to permit expansion to grade 8.

Francis W. Parker Charter Essential School

A Coalition of Essential Schools partner located in Fort Devens, Parker serves 120 seventh and eighth graders from 20 communities. Founded by three parents, it takes its name from the New England schoolmaster sometimes called the "father of progressive education." This school fits within that tradition as manifested today in Ted Sizer's Coalition approach. Start-up problems involved cash flow and locating a facility, but Parker was able to secure space on a former military base with the assistance of the state's Land Bank and has also been able to steady its finances. Already on the way to acquiring and renovating another Fort Devens facility, the school seeks to expand through grade 12.

Lowell Middlesex Academy Charter School

Middlesex Community College sponsors and houses this former alternative education program that converted to charter status. It now serves 100 ungraded high school "dropouts" ages 16 to 23. Nearly half are minority group members and a fourth have children of their own. Students undergo rigorous diagnoses and assessments, then individual education plans are tailored to their needs. They work closely with teachers and advisors to complete their course of

studies. Community service and work internships are part of the program. Core academic subjects are taught in an interactive, experiential way, with a mandatory applied ethics course.

Renaissance Charter School

This downtown-Boston school involves the Edison Project, Advantage Schools, Inc., and the citizen-based Horace Mann Foundation. It serves 637 K-5 students, primarily African-American youngsters. One-third of its pupils previously studied in private schools. The school is organized unconventionally and features high academic standards, character education, extensive use of technology, and a 210-day year. Students initially posed challenges but additional staff training and parent outreach eased these. The Massachusetts Land Bank helped with the facility, a former University of Massachusetts building. Grades 6-8 will be added in 1996 with plans to expand through grade 12 by 1998.

MICHIGAN

(Note: Each of the following five Michigan charter schools is a fiscally and legally independent entity.)

Aisha Shule/W.E.B. DuBois Preparatory Academy

This previously private school, which converted to charter school status during 1994-95, is the oldest independent African-focused school in Detroit (it has been in operation for 22 years). Sponsored by the Detroit Public Schools, this charter school actually consists of two schools housed within the same building: Aisha Shule, which serves approximately 115 students in grades K-7, and W.E.B. DuBois Academy, which serves around 50 students in grades 8-12 as part of a college prep curriculum. Students attend school for eight hours each day, 205 days per year. The school has long been (and continues to be) a beacon of success for Detroit's African-American community.

Concord Academy

This K-12 school serves approximately 250 students in rural Petoskey (located in the northern part of the Lower Peninsula), using a core academic program complemented by choral, instrumental music, dance, and visual arts. This start-from-scratch school began operation during fall 1994, although it did not receive official charter designation and funding until April 1995 (due to the repeal of Michigan's first charter school law). It operates in two remodeled warehouse-like facilities and plans to grow as additional funding for construction becomes available. A nonprofit company—EduCare—is the employer for the school's staff and has helped to create a second Michigan charter school using the same curricular focus. The school is sponsored by Central Michigan University.

Livingston Technical Academy

A two-year "trade academy" located on a college campus in the town of Howell (midway between Lansing, Detroit, and Flint), this school offers a school-to-work manufacturing program for approximately 50 students in grades 11-12 (plans include expanding to 100 students for 1996-97). Using

a $50,000 start-up grant from Michigan's Jobs Commission, the school was started in 1995-96 by individuals representing manufacturing industries in the area. It offers hands-on technical skills coupled with integrated academics, including a 10-week apprenticeship for each student. Students attend school eight hours per day, 200 days per year. School staff are hired by a private personnel company, which also handles payroll services, worker's compensation, etc. The school is sponsored by Central Michigan University.

Sierra Leone Educational Outreach Academy

Founded by several former Detroit Public School District special education teachers, this school is focused on serving students traditionally labeled as educationally challenged or learning disabled. Having opened in September 1996, the school serves approximately 160 students in grades K-4 and is planning to become a K-5 for 1996-97. Located within a former parochial school facility, the hallmark of this school is that it is teacher-founded and completely teacher-run, and it refuses to "label" students as special education per se. Instead, a variety of individualized techniques are used to ensure that all students perform at grade level or above. Central Michigan University is its sponsor.

West Michigan Academy of Environmental Science

Located in Grand Rapids, this school serves approximately 350 students in grades K-8 using a core academic program integrated with an environmental science theme. Plans include adding one grade each year, until it serves about 780 student in grades K-12. This start-from-scratch school opened its doors during September 1995, although public funding did not arrive until January 1996 (due to the repeal of Michigan's first charter school law). Significant state and national media attention (including the cover of *Time* magazine) existed during its first year as it attempted to stay alive while awaiting the court ruling. In addition to severe debt, the school has struggled to find an appropriate facility and was located in a portion of an old coliseum during 1995-96. Despite these initial struggles, a waiting list of more than 150 students existed. Central Michigan University is its sponsor.

MINNESOTA

(Note: By law, all of Minnesota's charter schools are fiscally and legally independent entities.)

City Academy

As the first charter school in the nation, this dropout retrieval program serves approximately 65 students (ages 16-21) in a community recreation facility in St. Paul. Founded by two alternative education teachers, this start-from-scratch school began operation during September 1992 and is sponsored by the St. Paul School District Board. The instructional program is divided into five-week sessions for which an individualized plan is created for each student, and classes are offered based upon the needs of the student population. The ultimate goal is to have each student be prepared to enter some type of postsecondary educational or work training program. Data from the

school's first three years reveal that 90 percent of its graduates met this goal.

Community of Peace

Initiated during 1995-96, this St. Paul School District-sponsored school serves approximately 175 K-5 inner-city students and works closely with the home and community. Minority students represent 94 percent of the population of which Hmong students are the vast majority. Located in a former Catholic school facility, the start-from-scratch school appears fairly traditional, yet teachers remain with their students for two years, whole language as well as phonics are utilized, each classroom has a "peace" table and engages in peace activities to teach students how to deal with conflicts, and authentic assessments are stressed. One grade per year will be added until it becomes K-8.

Emily Charter School

Located in the small town of Emily about three hours north of the Twin Cities, this school is one of two Minnesota charter schools currently sponsored by the state's board of education (after a successful but lengthy appeal process). Emily Charter School was created by the community as a response to the local district school board's decision to close down the existing public school for economic reasons. Serving approximately 80 students in grades K-8, it uses a multi-age/level approach and thematic simulations/projects. The school could be considered a converted public school, although it operated as a private school for one year until charter status was obtained for school year 1994-95.

Metro Deaf

A K-8 start-from-scratch school in which approximately 35 deaf students are taught using American Sign Language as the primary language of instruction. Founded by several deaf education teachers and interested parents in 1993-94, the school uses a bilingual/bicultural approach to deaf education. Located in a warehouse-type space in downtown St. Paul, the school draws students from 14 different school districts. Although located within the St. Paul District, it is sponsored by the Forest Lake District because St. Paul was not interested in sponsorship. The school is somewhat controversial in that it goes against the conventional wisdom of "main streaming" deaf students into regular classes. It does, however, have strong support from the deaf community.

Minnesota New Country School

Using a completely competency-based, individualized approach to learning, this grade 7-12 school began in 1994-95 and serves approximately 85 students. This start-from-scratch school is housed within three former storefronts in downtown LeSueur (about one hour south of the Twin Cities). Teachers are referred to as "advisors," and monthly "exhibition" nights are held for parents and community members, who in turn grade the projects presented that evening. School staff are members of a educator-developed cooperative (EdVisions) and provide services to the school as part of a performance-based contract through this co-op. Sponsored by its local school district board, the school's initial approval was contingent upon not causing a negative fiscal impact on the district. Thus, a large number of out-of-district students are recruited to provide the primary funding support.

WISCONSIN

Beaver Dam Charter School

Located in rural Beaver Dam (about 1.5 hours west of Madison), this alternative education school began operation during January 1995 and serves approximately 115 at-risk middle- and high-school students. Housed in a former nursing home facility, the school was developed by a district-wide task force of teachers and community members as part of a broader effort to support at-risk students. A local voter referendum was passed to provide start-up and ongoing funding for the school. The school utilizes an individualized competency-based approach for all students, including work experience or community service for the high schoolers. The school remains an instrumentality of the district, with all fiscal and management services being provided by the district. Teachers are employees of the district and fall under the district's master teacher agreement.

New Century School

A parent-developed K-4 school located in Verona (about 10 miles south of Madison), New Century serves approximately 35 students using a multi-age/multigrade, continuous progress approach with a focus on math and science (next year it will be K-5). The school opened during August 1995 and is housed in a formerly unused older portion of an existing elementary school. The formation of the school was spearheaded by one parent who also continues to "oversee" the school to some degree as a full-time parent volunteer/coordinator. The school is sponsored by the local district school board and remains an instrumentality of the district, and all noninstructional services continue to be provided by the district. Teachers are employees of the district and fall under the district's master teacher agreement.

Appendix D
State Leader/Other Interviews

(Titles and location given are those in effect at the time of the interview.)

Arizona
Diane Bishop, governor's office (and former state superintendent)
Marilyn Burbach, Executive Director, Villa Montessori School
Becky Castillo, Chair, State Board for Charter Schools
Barbara Clark, Motorola Corp.
Debbie Dillon, mayor's education liaison, city of Phoenix
Don Flake, Chairman, State Charter Board
Terry Forthun, Arizona Federation of Teachers
Mark Francis, President, Arizona School for the Arts
Martha Fraser, Deputy State Superintendent
Bill French, business manager for a number of Charter Schools
Representative Jeff Groscost, Legislator and member of State Charter School Board
Kathi Haas, Director of Charter Schools, State Department of Education
Mary Hartley, state senator
John Huppenthal, State Senator, Chairman of Senate Education Committee, and member of State Charter Board
Ray Jackson, President, ATOP Academy
John Kakritz, Director, Arizona Charter School Association
Lisa Graham Keegan, State Superintendent of Public Instruction
Kathryn Kilroy, State Department of Education (former head of charter schools office)
Rick Lavis, business leader
Tony Mason, business leader
Rob Melnick, Director, Morrison Institute, Arizona State University
Lori Mulholland, Researcher, Morrison Institute
Tom Patterson, Senate Majority Leader
Tom Pickerell and Barbara Robey, State School Boards Association
Terri Skladany, Assistant Attorney General
Paul Street, Associate State Superintendent and former state board member
Jim Ullman, President, State Board of Education
Carol Wilson, Member, State Board of Education and State Charter School Board
James Zaharis, Superintendent, Mesa Public Schools

California
Sandy Abraham, Budget Office, Long Beach Unified School District
Steve Baldwin, Chair, California Assembly Education Committee
Sue Steelman Bragato, Executive Director, California Network of Educational Charters
Ted Buckley, Legal Advisor, Long Beach Unified School District
Susan K. Burr, Associate Director, Institute for Education Reform, California State University, Sacramento

Tom Connelly, Budget Office, Long Beach Unified School District
Kay Davis, Director, Greater San Diego Chamber of Commerce Business Roundtable for Education
Maureen G. DiMarco, Secretary, Child Development and Education, State of California
Barb Dorvee, Assistant Director, Fiscal Services, Vista Unified School District
Lisa Dutra, Director of Facilities, Long Beach Unified School District
Noel Gallo, Board Member, Oakland Unified School District
Javier Gonzalez, District Personnel, East Bay United Parcel Service
Gary K. Hart, Director, Institute for Education Reform, California State University, Sacramento, Former State Senator and Primary Sponsor of State Charter School Law
Pamela S. Hayden, Director, Fiscal Services, Vista Unified School District
Bonnie Lowenthal, Long Beach School Board
Carl Lynn, Oakland Private Industry Council
Jimma McWilson, President and CEO's Special Assistant for Charter School, San Diego Urban League
Jill Paolini, Board Member, Western Placer Unified School District
David Patterson, Charter School Liaison, California Department of Education
Erik Premack, Charter Schools Proejct Director, Institute for Education Reform, California State University, Sacramento
Joseph Rao, Charter School Liaison, Los Angeles Unified School District
Pam Riley, Director, Center for Innovation in Education, Pacific Research Institute
Judy E. Smith, Interim Superintendent, Perris Union High School District
Mary Stanton, Long Beach School Board
Peter Steinmann, Senior Vice President, TransWorld Bank
Rod Tompkins, Greater San Diego Chamber of Commerce Business Roundtable for Education
Roger Yohe, Superintendent, Western Placer Unified School District

Colorado
Rex Brown, founder and Principal, P.S. 1 charter school
John Evans, at-large member, State Board of Education
Jim Griffin, Executive Director, Colorado League of Charter Schools
Gloria Higgins, JFM Foundation
Peter Huidekoper, Program Officer, Gates Foundation
Christine Johnson, Education Commission of the State
Peggy Kerns, House Minority Leader
Irv Moskowitz, Superintendent, Denver Public Schools
Bill Owens, State Treasurer (and former charter champion in state Senate)
Linda Page, Principal, Cheyenne Mountain Charter School
Bill Porter, Assistant to Governor Roy Romer
Bill Randall, state Commissioner of Education
Bob Schaffer, state senator
Lee White, Member, Denver school board
Bill Windler, staff member for charter schools, State Deptartment of Education

Massachusetts
Shiela Balboni, Executive Director, Community Day Care
Linda Brown, Director, Charter School Resource Center, Pioneer Institute
Barbara H. Buell, Attorney, Bloom & Buell, Boston
Scott W. Hamilton, Massachusetts Undersecretary of Education for Charter Schools
James A. Peyser, Executive Director, Pioneer Institute
William S. Samaras, Headmaster, Lowell High School
Michael J. Sentance, Massachusetts Secretary of Education

Theodore Sizer, Coalition of Essential Schools, Harvard
Abigail Thernstrom, Massachusetts State Board of Education
George Tsapatsaris, Superintendent, Lowell School
Steven F. Wilson, Office of the Governor, Special Assistant to the Governor

Michigan
Barbara Barrett, The Michigan Partnership for a New Education
Gary Cass, Charter School Contact, Michigan Department of Education
James Clatworthy, Associate Dean, College of Education, Oakland University
William Coates, Director, The Michigan Partnership for a New Education
Kathleen Cummins, Director of Alternative Education, Wayne County RESA
Jim Goenner, Senior Associate Director, Charter Schools Office, Central Michigan University
James Sandy, Director, Michigan Business Leaders for Education Excellence
Mamie Thorns, Associate Director, Charter Schools Office, Central Michigan University
Michael Williamson, Director, State Board of Education Office
Bob Wittmann, The Michigan Partnership for a New Education

Minnesota
Bill Allen, Charter School Coordinator, Department of Education
Jeff Briggs, School Finance Unit, Department of Education
Dan Bryan, Director of Choice Program, Department of Education
Senator Ember Reichgott Junge, state senator, primary sponsor of charter school law
Peggy Hunter, Department of Education; Charter School Strategies, Inc.
Ted Kolderie, Center for Policy Studies, St. Paul

Wisconsin
Jim Bartholomew, Assistant to Lieutenant Governor
Senn Brown, Government Affairs Director, Association of School Boards
Ken Cole, Executive Director, Association of School Boards
Representative Chuck Coleman, Chair, Assembly Education Committee
Senator Alberta Darling, Chair, Senate Education Committee
Howard Fuller, Institute for the Transformation of Learning, Marquette University
Scott McCallan, Lieutenant Governor
Tom Stefonek, Charter Schools Contact, Department of Public Instruction
Bob Wood, Assistant to Governor Thompson

Appendix E
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About the Authors

Chester E. Finn Jr., is John M. Olin Fellow at Hudson Institute and professor of education and public policy at Vanderbilt University (on leave). From 1985 to 1988 he served as U.S. Assistant Secretary of Education for Research and Improvement. He is an internationally recognized expert on education reform who has published more than 200 articles and 11 books on education and other social issues including *We Must Take Charge: Our Schools and Our Future*.

Bruno V. Manno is a Senior Fellow at Hudson Institute. His Hudson projects include the Modern Red Schoolhouse Project, one of seven national "break-the-mold" school design activities supported by the New American Schools Development Corporation, and a Bradley Foundation sponsored project on philanthropy and civic renewal. From 1988 to 1991 he served in several senior positions in the U.S. Department of Education, including Assistant Secretary for Policy and Planning. He has written extensively on a variety of education policy issues, publishing more than 100 articles.

Louann A. Bierlein is the Education Policy Advisor to Louisiana Governor Mike Foster, as well as a Senior Fellow at Hudson Institute. She was formerly director of the Louisiana Education Policy Center at Louisiana State University and Assistant Director of Education and Social Policy Studies at the Morrison Institute for Public Policy, Arizona State University. She is a nationally recognized expert on charter schools who has written and spoken widely on the topic.

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